S.E.C. RULE 15c2-12
ANNUAL REPORT

The California Housing Finance Agency (the "Issuer") hereby provides its annual report for the fiscal year ended June 30, 2004 in connection with the following Bonds:

Bond Issues:

Multifamily Housing Revenue Bonds II (the "Bonds")

1995 Series A, B & C dated October 1, 1995
1996 Series A & B dated October 1, 1996

Annual Report:

The Issuer's "annual report" (as defined in the Continuing Disclosure Agreement, dated November 14, 1995 as supplemented with respect to the Bonds, hereinafter the "Disclosure Agreement") for the fiscal year ended June 30, 2004 is attached as Appendix A. In addition, attached hereto is a listing of information included in the previously mentioned Official Statement required under the Annual Reports section of the Disclosure Agreement in compliance with S.E.C. Rule 15c2-12.

Other Matters:

This annual report is provided solely for purposes of the Disclosure Agreement. The filing of this report does not constitute or imply any representation (i) that all of the information provided is material to investors, (ii) regarding any other financial or operating information about the Issuer or the Bonds, or (iii) that no changes, circumstances or events have occurred since the end of the fiscal year to which this report relates (other than as contained in this report), or that no other information exists, which may have a bearing on the Issuer's financial condition, the security for the Bonds, or an investor's decision to buy, sell, or hold the Bonds. The information contained in this report has been obtained from sources that are believed to be reliable, but such information is not guaranteed as to accuracy or completeness. No statement in this annual report should be construed as a prediction or representation about future financial performance of the Issuer.

The information provided herein may relate to bonds or other obligations of the Issuer in addition to the ones listed above.

CALIFORNIA HOUSING FINANCE AGENCY

By: ______________________ Date: November 24, 2004

Bruce D. Gilbertson
Director of Financing

The following information is being provided in accordance with the Continuing Disclosure Agreement for the bond issues mentioned below.

Multifamily Housing Revenue Bonds II (the "Bonds")

1995 Series A, B & C
1996 Series A & B

The Issuer's Audited Financial Statements are included in the Annual Report attached as Appendix A.

A description of all bonds issued by the Issuer and outstanding as of August 1, 2004 is attached as Appendix B.

Amounts in the Bond Reserve Account and amounts on deposit in any Loan Reserve accounts related to the Bonds are attached as Appendix C.

Information regarding principal prepayments with respect to the Loans is attached as Appendix C.

Bond redemptions and the source of funds for such redemptions are attached as Appendix D.

The status of the Issuer's Loan portfolio, including the interest rates on the Loans, the principal amount of Loans to be made, purchased or otherwise acquired, including the type of such loans and the principal amount of the current Loan portfolio, is attached as Appendix E.

There are no loan delinquencies or foreclosed loans as of June 30, 2004 under this indenture.

Appendix A

Lending with PROMISE

CALIFORNIA HOUSING FINANCE AGENCY
2003-2004 ANNUAL REPORT

AUDITED FINANCIAL STATEMENTS

Viewing Instructions:

To best view this document, the “View” setting should be “Continuous-Facing”. Should you need to adjust your “View”, use the following:

Acrobat Reader 6.0 – go to “View” then “Page Layout” then choose “Continuous-Facing”.

For older versions of Acrobat Reader – go to “View” then choose “Continuous-Facing”.

When printing this file, the Table of Contents is to be considered the cover, rather than the first page. Therefore, when assembling please refer to the page numbers at the bottom of each page and assemble back-to-back in a book format.

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CALIFORNIA HOUSING FINANCE AGENCY
(A Component Unit of the State of California)

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
California Housing Finance Agency
Sacramento, California

We have audited the accompanying combined balance sheets of the California Housing Finance Fund (Fund), which is administered by the California Housing Finance Agency (Agency), a component unit of the State of California, as of June 30, 2004 and 2003 and the related combined statements of revenues, expenses and changes in fund equity, and of cash flows for the years then ended. These combined financial statements are the responsibility of the management of the Agency. Our responsibility is to express an opinion on these combined financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the combined financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the combined financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such combined financial statements present fairly, in all material respects, the financial position of the Fund as of June 30, 2004 and 2003, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Management's Discussion and Analysis is not a required part of the financial statements, but is supplementary information required by the Governmental Accounting Standards Board. This supplementary information is the responsibility of management of the Agency. We have applied certain limited procedures, which consisted primarily of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However we did not audit the information and we do not express an opinion on it.

Our audits were performed for the purpose of forming an opinion on the basic combined financial statements taken as a whole. The supplemental combining program information as of and for the year ended June 30, 2004, on pages 36 through 53 are presented for the purpose of additional analysis and are not a required part of the basic 2004 combined financial statements of the Fund. The supplemental combining program information is the responsibility of the management of the Agency. Such information has been subjected to the auditing procedures applied in our audit of the basic 2004 combined financial statements and, in our opinion, is fairly stated in all material respects when considered in relation to the basic 2004 combined financial statements taken as a whole.

In accordance with Government Auditing Standards, we have also issued our report dated October 7, 2004, on our consideration of the Agencies internal control over financial reporting and our tests of its compliance with certain provisions, loans, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing, of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting. That report is an integral part of an audit in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Deloitte + Touche LLP

October 7, 2004

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CALIFORNIA HOUSING FINANCE FUND
Management Discussion and Analysis
of Financial Position and Results of Operations
As of and for the fiscal years ended June 2004 and 2003

Introduction – The California Housing Finance Agency

The California Housing Finance Agency ("Agency") was created in 1975 by an act of the California Legislature and commenced operations in 1976. The Agency is a component unit of the State of California ("State") and is included in the State's Comprehensive Annual Financial Report. The Agency is authorized to administer the activities of the California Housing Finance Fund ("Fund"), the California Housing Loan Insurance Fund ("Mortgage Insurance Fund") and two state general obligation bond funds. The following Management Discussion and Analysis applies only to the activities of the California Housing Finance Fund and should be read in conjunction with the Fund's combined financial statements and the notes to the combined financial statements. Operations of the Fund include the issuance of Agency bonds and notes to fund loans to qualified borrowers for single family houses and multifamily developments. The Agency is entirely self-funded and does not draw upon the general taxing authority of the State.

The combined financial statements present the totals of the Fund. The supplemental combining information of the Fund is organized by the following major categories: Homeownership Programs, Multifamily Rental Housing Programs, and Other Programs and Accounts. This information and information for specific programs and accounts is reported after the Notes to the combined financial statements.

The Homeownership Programs provide low cost mortgage capital to a network of approved lenders from whom the Agency purchases previously funded and closed loans secured by single family homes purchased by individual borrowers. The Multifamily Rental Housing Programs are typically used to directly fund loans to developers and housing sponsors for the construction or acquisition of multifamily rental housing developments. Interest rates on Agency loans are generally below market rate; however, the programs are operated to be self-supporting. The Agency issues its own bonds to provide the funding for these loan programs. Interest paid to bondholders is generally exempt from both state and federal tax; however, the Agency also issues federally-taxable bonds.

The Other Programs and Accounts category includes the Agency's Housing Assistance Trust, funded periodically from a portion of the Fund's operating income before transfers. The Housing Assistance Trust provides a source of funding for low or very low income multifamily developments and home buyer downpayment assistance. Loans for these purposes generally would not produce sufficient revenues to support payments to bondholders. These loans typically accrue simple interest with repayment of principal and interest deferred for the term of the loan or until certain events occur, such as a sale of the property. Also included in this category are certain State-funded programs, which the Agency has been asked to administer for the State on a contract basis. Operating expenses of the Agency's loan and bond programs are paid from an Operating Account that is replenished from the Fund's operating income before transfers. Other accounts maintained by the Agency provide security for the issuance of bonds, emergency contingencies, loan servicing operations and loan warehousing activities.

Financial Highlights 2004 – 2003

- Operating income before transfers was $55 million for fiscal year 2004 compared to $86 million for fiscal year 2003. The decrease in Operating income before transfers is reflective of a $8 million decrease in the fair value of the Agency's investments as compared to a $11 million increase in fiscal year 2003.

- Although $1.5 billion in new loans receivable were originated during fiscal year 2004, program loans receivable decreased $550 million to $5.5 billion at fiscal year end as first-time homebuyers continued to refinance their loans at a record pace resulting in $1.8 billion of first loan prepayments.

- During the fiscal year $39 million was transferred into the Fund by the State pursuant to the Housing and Emergency Shelter Trust Fund Act of 2002. The funds were used to make loans and grants to borrowers and homeowners through programs administered by the Agency on a contract basis.

- During fiscal year 2004, the Agency issued $2 billion of notes and bonds.

- During fiscal year 2004 the Agency continued to actively use the interest rate swap market to provide synthetically fixed interest rates on many of the bonds issued. The Agency obtains a lower fixed cost of funds in the interest rate swap market than can be achieved by issuing fixed rate bonds. Of the $2 billion in bonds issued, all but $21 million was issued as variable rate debt and $937 million of this amount was synthetically swapped to fixed.

- To better manage the basis risk that is inherent in some of the Agency's swap agreements when short-term rates are very low and BMA/LIBOR percentage is high, the Agency entered into 13 basis swaps during fiscal year 2004, with an outstanding notional amount of $692 million. These swap agreements result in comparable fixed-rate economics but will perform better when short-term rates are low and the BMA/LIBOR percentage is high.

- The Agency continued to actively manage the Fund's interest expense and exposures within the debt portfolio, redeeming, and in some cases refunding, $2.1 billion of bond indebtedness during fiscal year 2004.

Condensed Financial Information:

Combined Balance Sheet

The following table presents condensed combined balance sheets for the Fund as of June 30, 2004 and 2003 and the change from the prior year (dollars in millions):

Condensed Combined Balance Sheets

	2004	2003	Change
Assets			
Cash and investments	$4,066	$3,578	$488
Program loans receivable-net	5,460	6,010	(550)
Other	155	189	(34)
Total Assets	$9,681	$9,777	$(96)
Liabilities			
Bonds payable – net	$7,873	$8,137	$(264)
Other	689	615	74
Total Liabilities	8,562	8,752	(190)
Fund Equity			
Invested in capital assets	1	1	
Restricted equity	1,118	1,024	94
Total Fund Equity	1,119	1,025	94
Total Liabilities and Fund Equity	$9,681	$9,777	$(96)

Assets

Of the Fund's assets, more than 98% is represented by cash and investments and program loans receivable. The Fund does not have a significant investment in capital assets.

Total assets decreased by $96 million or 1% during fiscal year 2004. The Fund's cash and investments were $4.1 billion as of June 30, 2004, an increase of $488 million from June 30, 2003. The 14% increase in cash and investments is directly related to the record levels of loan prepayments from homeowners. These loan prepayments, totaling more than $1.8 billion, have been or will be used for the following purposes: 1) to redeem bonds 2) for the direct purchase of new loans or 3) in connection with refundings of the underlying bonds to preserve the tax-exempt bond authority. In the latter case, the refunding bond proceeds, after being exchanged for a like amount of prepayments, are invested for future loan purchases.

Of the Fund's assets, 42% is in the form of cash and investments at fiscal year end. Of the Fund's investment balance, 53% is in investment agreements. Consistent with the Agency's investment policy, bond proceeds are normally invested in investment agreements with highly rated providers of such instruments because the agreements provide a low level of counterparty risk, a fixed rate of return and complete liquidity. In addition, a substantial portion of the Fund's investments are held in the State's Surplus Money Investment Fund ("SMIF") and earn a variable rate of interest.

The composition of cash and investments as of June 30, 2004 and 2003 and the changes from the prior year are shown in the table below (dollars in millions):

Cash and Investments

	2004	2003	Change
Investment agreements	$2,097	$1,980	$117
SMIF	1,804	1,398	406
Securities	75	116	(41)
Cash	90	84	6
Total	$4,066	$3,578	$488

Program loans receivable decreased by $550 million or 9% during fiscal year 2004 compared to fiscal year 2003. The Agency had a very active year originating new program loans and processing high levels of prepayments from borrowers. Within the Fund, the Agency originated almost $1.5 billion in new loans of which over $1.3 billion were single family first mortgages. However many homebuyers continued to take advantage of very low loan interest rates by refinancing their Agency loans resulting in fiscal year loan prepayments in excess of $1.8 billion during fiscal year 2004 which is comparable to $1.8 billion of prepayments received in fiscal year 2003. The Agency does not offer home refinance opportunities to its borrowers as the homeownership loan programs are restricted to first time homebuyers. Multifamily Rental Housing Program loan originations were $125 million during fiscal year 2004, compared to program loans originated during fiscal year 2003 of $87 million. Special Program loan originations were $83 million during fiscal year 2004, compared to program loans originated during fiscal year 2003 of $62 million.

Other assets decreased by $34 million or 18% during fiscal year 2004. Nearly all of this decrease is attributable to a decrease in loan prepayments due from outside loan servicers of homeownership loans as of June 30, 2004 when compared to June 30, 2003.

Liabilities

The Fund's liabilities were $8.6 billion as of June 30, 2004, a decrease of $190 million or 2% from June 30, 2003. Of the Fund's liabilities, over 92% is in the form of bond indebtedness. The Fund's bonds payable at June 30, 2004 decreased by $264 million from the prior year as the $2 billion in new issuances in 2004 were offset by scheduled principal payments and $2.1 billion in bond redemptions, many of the bond redemptions during fiscal year 2004 were as a result of the large number of loan prepayments from homeowners. The Agency's governing statutes impose a cap of $11.15 billion for bonds and notes issued and outstanding within the Fund. This debt cap is revisited every few years and is normally revised upward as needed.

All of the bonds issued by the Agency are reported within the Fund. The Agency issued a total of $2 billion of Agency bonds during fiscal year 2004, a decrease from the $2.1 billion issued during fiscal year 2003. Of the bonds issued during fiscal year 2004, all but $21 million were issued as variable interest rate bonds, and of that amount $937 million was swapped to provide synthetically fixed interest rates. As of June 30, 2004, the estimated "net" variable interest rate exposure of the Fund's total bond indebtedness was $1.2 billion. The estimated "net' variable interest rate exposure excludes all variable interest rate bonds swapped to fixed interest rates or directly backed by complementary variable interest rate assets. This "net" variable interest rate exposure provides an internal hedge against today's low interest rate environment evidenced by low short-term investment rates and increased loan prepayments. Interest costs on variable interest rate bonds that are swapped to a fixed interest rate have generally provided a lower total interest cost to the Fund than interest costs of traditional fixed interest rate products.

The Agency issues both tax-exempt and federally taxable bonds. During the 2004 fiscal year federally taxable bonds increased by 11.2% and as of June 30, 2004 represent 39% of all bonds outstanding, while tax-exempt bonds decreased by 10.8% and as of June 30, 2004 represent 61% of all bonds outstanding. The use of federally taxable bonds allows the Agency to leverage its allocation of the Private Activity Bond volume cap for the Homeownership Programs. This limitation is imposed by the federal government to regulate the issuance of tax-exempt bonds for private purposes. This leveraging of tax-exempt authority allows the Agency to provide increased mortgage capital, thus increasing the number of borrowers assisted by the Agency.

Shown below are the amounts of variable and fixed rate indebtedness, by tax status, as of June 30, 2004 and 2003 and the changes from the prior year (dollars in millions):

Bonds Payable

	2004	2003	Change
Tax-Exempt Bonds			
*Variable Rate	$3,216	$2,619	$ 597
Fixed Rate	1,564	2,740	(1,176)
Total Tax-Exempt Bonds	$4,780	$5,359	$ (579)
Federally Taxable Bonds			
*Variable Rate	$2,684	$2,233	$ 451
Fixed Rate	425	562	(137)
Total Federally Taxable Bonds	$3,109	$2,795	$ 314
Total Bonds Outstanding	$7,889	$8,154	$ (265)

* Certain variable rate bonds have been swapped to fixed rate (see Note 6 to the Combined Financial Statements).

Other liabilities increased by $74 million or 12% during fiscal year 2004. The Agency expanded its use of available short-term credit lines for loan warehousing purposes during the year, including an increase of $50 million in borrowing from the Pooled Money Investment Board and $30.4 million in borrowing from the revolving credit agreement increasing the total loan amount outstanding at June 30, 2004 to $300 million and $42 million, respectively.

Equity

All of the Fund's equity is restricted pursuant to trust agreements with bondholders and the Agency's enabling legislation or invested in capital assets. Total equity of the Fund grew by $94 million or 9% as a result of operating income of the Fund, in the amount of $55 million and transfers to the Fund in the amount of $39 million pursuant to the Housing and Emergency Shelter Trust Fund Act of 2002.

Revenues, Expenses, and Changes in Fund Equity

The following table presents condensed combined statements of revenues, expenses, and changes in fund equity for the Fund for the fiscal years ended June 30, 2004 and June 30, 2003 and the changes from the prior year (dollars in millions):

Condensed Combined Statements of Revenues, Expenses, and Changes in Fund Equity

	2004	2003	Change
Operating Revenues			
Interest income program loans – net	$346	$424	$(78)
Interest income investments – net	117	98	19
Increase in fair value of investments	(8)	11	(19)
Other loan and commitment fees	16	18	(2)
Other revenues	78	78	
Total Operating Revenues	549	629	(80)
Operating Expenses			
Interest	336	393	(57)
Mortgage servicing fees	15	19	(4)
Operating expenses	26	21	5
Other expenses	117	110	7
Total Operating Expenses	494	543	(49)
Operating Income before transfers	$ 55	$ 86	$(31)

Operating Revenues

Total operating revenues of the Fund were $549 million during fiscal year 2004 compared to $629 million during fiscal year 2003, a decrease of $80 million or 12.7%.

Interest income on program loans was $346 million during fiscal year 2004 compared to $424 million during fiscal year 2003, a decrease of $78 million. The decrease in interest income on program loans is a result of the reduction in the Fund's homeownership loan portfolio coupled with a decrease in the weighted average interest rate on homeownership loans. Program loans receivable decreased $550 million or 9% at June 30, 2004 compared to June 30, 2003, of which $532 is related to the Homeownership loan portfolio.

The Fund's investment portfolio increased by $482 million or 14% during fiscal year 2004, interest income from investments increased 19% to $117 million in fiscal year 2004 from $98 million in fiscal year 2003.

The fair value of the Fund's $75 million investment in securities decreased by $8 million during fiscal year 2004. The decrease in the fair value is attributable to both realized and unrealized gain and losses during the fiscal year.

Other loan and commitment fees decreased $2 million to $16 million for fiscal year 2004 compared to $18 million during fiscal year 2003. The decrease is primarily attributable to a $3.3 million fee for loan prepayment as part of the refinancing of a multifamily rental housing development in fiscal year 2003

Other revenues basically remained unchanged receiving $78 million during fiscal year 2004 and fiscal year 2003.

Operating Expenses

Total operating expenses of the Fund were $494 million during fiscal year 2004 compared to $543 million during fiscal year 2003, a decrease of $49 million or 9%.

Bonds outstanding at June 30, 2004 decreased by $264 million or 3.2 % from June 30, 2003 and bond interest expense, which represents 68% of the Fund's total operating expenses, decreased by $57 million or 15% compared to fiscal year 2003. The reduction reflects the declining interest rate environment and ongoing management of the Fund's interest costs through the continued issuance of variable interest rate bonds and corresponding use of interest rate swaps to create synthetic fixed interest rates with a lower cost than if fixed rate bonds were issued.

Mortgage servicing fees decreased by 21% in 2004 over 2003 as a result of a decrease in the level of program loans receivable balances being serviced by outside servicers.

The 24% growth in operating expenses during fiscal year 2004, when compared to operating expenses for fiscal year 2003, results from an expansion of loan products offered, increased staff expenses and technology related expenses to build an infrastructure to support the growth in Agency programs.

Operating Income before Transfers

The overall operating results of the Fund for fiscal year 2004 are reflective of the activity in the operating revenues and expenses discussed above. Operating income before transfers for fiscal year 2004 was $55 million compared to $86 million for fiscal year 2003. The $31 million decrease in operating income before transfers is primarily due to the change in fair value of investments and increases in operating and other expenses.

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CALIFORNIA HOUSING FINANCE FUND
COMBINED BALANCE SHEETS
June 30, 2004 and June 30, 2003
(Dollars in Thousands)

	2004 Combined Totals	2003 Combined Totals
ASSETS		
Current assets:		
Cash and cash equivalents	$ 89,736	$ 83,824
Investments	3,909,294	3,386,128
Current portion - program loans receivable, net of allowance	158,950	183,957
Interest receivable:		
Program loans	25,792	31,629
Investments	45,157	37,013
Accounts receivable	31,988	61,751
Other assets	1,114	916
Total current assets	4,262,031	3,785,218
Noncurrent assets:		
Investments	67,128	108,261
Program loans receivable, net of allowance	5,300,918	5,825,360
Deferred financing costs	35,151	40,730
Other assets	16,199	17,096
Total noncurrent assets	5,419,396	5,991,447
Total assets	$ 9,681,427	$ 9,776,665
LIABILITIES AND FUND EQUITY		
Current liabilities:		
Current portion - bonds payable, net	$ 700,927	$ 623,574
Interest payable	117,791	135,937
Due to other Government entities, net	301,784	257,457
Compensated absences	1,659	1,541
Deposits and other liabilities	191,628	144,579
Total current liabilities	1,313,789	1,163,088
Noncurrent liabilities:		
Bonds payable, net	7,172,080	7,513,296
Due to other Government entities, net	27,155	20,833
Deferred revenue	49,103	54,746
Total noncurrent liabilities	7,248,338	7,588,875
Total liabilities	8,562,127	8,751,963
Commitments and Contingencies (Notes 10 and 12)		
Fund equity:		
Invested in capital assets	752	474
Restricted by indenture	708,234	659,429
Restricted by statute	410,314	364,799
Total fund equity	1,119,300	1,024,702
Total liabilities and fund equity	$ 9,681,427	$ 9,776,665

See notes to combined financial statements.

CALIFORNIA HOUSING FINANCE FUND
COMBINED STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FUND EQUITY
June 30, 2004 and June 30, 2003
(Dollars in Thousands)

	2004 Combined Totals	2003 Combined Totals
OPERATING REVENUES		
Interest income:		
Program loans - net	$ 346,229	$ 424,314
Investments - net	116,837	98,359
Increase (decrease) in fair value of investments	(8,089)	10,635
Loan commitment fees	5,378	4,619
Other loan fees	11,183	12,963
Other revenues	77,942	78,237
Total operating revenues	549,480	629,127
OPERATING EXPENSES		
Interest	336,052	393,004
Amortization of bond discount and deferred losses on refundings of debt	1,876	2,104
Mortgage servicing expenses	15,405	18,428
Provision for program loan losses	2,431	6,367
Operating expenses	25,870	20,981
Other expenses	112,933	101,905
Total operating expenses	494,567	542,789
Operating income before transfers	54,913	86,338
Transfers - Interfund	39,685	18
Increase in fund equity	94,598	86,356
Fund equity at beginning of year	1,024,702	938,346
Fund equity at end of Year	$ 1,119,300	$ 1,024,702

See notes to combined financial statements.

CALIFORNIA HOUSING FINANCE FUND
COMBINED STATEMENTS OF CASH FLOWS
June 30, 2004 and June 30, 2003
(Dollars in Thousands)

	2004 Combined Totals	2003 Combined Totals
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	$ 352,067	$ 429,270
Payments to suppliers	(25,361)	(26,526)
Payments to employees	(16,652)	(13,867)
Internal activity - payments to other funds		(97)
Other receipts	637,304	741,785
Net cash provided by operating activities	947,358	1,130,565
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Due to other Government entities	46,721	102,656
Net cash provided by noncapital financing activities	46,721	102,656
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds from sales of bonds	2,048,335	2,055,285
Payment of bond principal	(187,776)	(171,079)
Early bond redemptions	(2,144,110)	(1,926,669)
Interest paid on debt	(354,198)	(402,011)
Interfund transfers	39,685	18
Additions to deferred costs	(8,675)	(7,457)
Net cash used for capital and related financing activities	(606,739)	(451,913)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from maturity and sale of investments	5,914,561	5,337,733
Purchase of investments	(6,404,682)	(6,232,699)
Interest on investments, net	108,693	89,744
Net cash used for investing activities	(381,428)	(805,222)
Net increase (decrease) in cash and cash equivalents	5,912	(23,914)
Cash and cash equivalents at beginning of year	83,824	107,738
Cash and cash equivalents at end of year	$ 89,736	$ 83,824
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	$ 54,913	$ 86,338
Adjustments to reconcile operating income to net cash provided by operating activities:		
Interest expense on debt	336,052	393,004
Interest on investments	(116,837)	(98,359)
Changes in fair value of investments	8,089	(10,635)
Accretion of capital appreciation bonds	18,131	29,414
Amortization of bond discount	650	848
Amortization of deferred losses on refundings of debt	1,226	1,255
Amortization of bond issuance costs	13,935	12,823
Amortization of deferred revenue	(5,378)	(4,618)
Depreciation	202	216
Provision for program loan losses	2,431	6,367
Provision for yield reduction payments	3,326	
Provision for nonmortgage investment excess	496	6,784
Changes in certain assets and liabilities:		
Purchase of program loans	(1,503,465)	(1,282,140)
Collection of principal from program loans, net	2,051,657	2,004,388
Interest receivable	5,837	4,956
Accounts receivable	29,763	(37,035)
Due to other Government entities	105	(23)
Other assets	(678)	(1,091)
Compensated absences	118	164
Deposits and other liabilities	47,050	17,967
Deferred revenue	(265)	(58)
Net cash provided by operating activities	$ 947,358	$ 1,130,565

See notes to combined financial statements.

CALIFORNIA HOUSING FINANCE FUND
NOTES TO COMBINED FINANCIAL STATEMENTS
Fiscal Years Ended June 30, 2004 and 2003

Note 1 – AUTHORIZING LEGISLATION AND ORGANIZATION

The California Housing Finance Fund ("Fund") is one of two continuously appropriated funds administered by the California Housing Finance Agency ("Agency"). The Agency was created by the Zenovich-Moscone-Chacon Housing and Home Finance Act ("Act"), as amended, as a public instrumentality, a political subdivision and a component unit of the State of California ("State"), and administers the activities of the Fund and the California Housing Loan Insurance Fund ("Mortgage Insurance Fund"). These funds allow the Agency to carry out its purpose of financing the housing needs of persons and families of low and moderate income within the State. The Agency is authorized to issue its bonds, notes and other obligations to fund loans to qualified borrowers for single family houses and multifamily developments. The Agency has no taxing power and is exempt from Federal income taxes and state franchise taxes. Funding of loan programs on an on-going basis is derived principally from bond proceeds and interest earned on loans and investments.

The Agency may also provide administrative, consulting and technical services in connection with the financing of housing developments; act as a State representative in receiving and allocating Federal housing subsidies; and make grants, under certain circumstances, to housing sponsors (providing that grants may not be made with proceeds from the sale of bonds or notes).

The Agency is the administrator of the Home Purchase Assistance Fund, established by Section 51341 of the Health and Safety Code *et seq*. which is a state general obligation bond program, the funds of which are neither generated nor held within the Fund, and therefore, not included in the accompanying combined financial statements.

The accompanying combined financial statements are the combined financial statements of the Fund and do not include the financial position or the results of operations of the Mortgage Insurance Fund which insures loans owned by the Agency and others to finance the acquisition, new construction or rehabilitation of residential structures in California. As of December 31, 2003, the Mortgage Insurance Fund had total assets of $50,561,000 and equity of $47,038,000 respectively (not covered by this Independent Auditors' Report).

As a component unit of the State the financial information of the Fund is included in the State's Comprehensive Annual Financial Report.

Programs and accounts are as follows:

Home Mortgage Revenue Bonds: The Home Mortgage Revenue Bonds provide financing for the Agency's Home Mortgage Program which purchases eligible mortgage loans, secured by trust deeds on newly constructed or existing single family homes, condominiums, planned unit developments and manufactured housing permanently attached to the land and originated and serviced by qualified lending institutions. All mortgage loans purchased under this program will be insured either by the Federal Housing Administration ("FHA"), the Mortgage Insurance Fund, the Department of Veterans Affairs ("VA"), a private mortgage guaranty insurance policy, or a combination thereof, covering a loss of up to fifty percent (50%), one hundred percent (100%) in the case of a FHA insured loan, of the outstanding principal amount of the mortgage loans.

Single Family Mortgage Bonds 1995 Issue A: The Single Family Mortgage Bonds 1995 Issue A provide financing for the Agency's Home Mortgage Program which purchases eligible mortgage loans, secured by trust deeds on newly constructed or existing single family homes, condominiums, planned unit developments and manufactured housing permanently attached to the land and originated and serviced by qualified lending institutions. All mortgage loans purchased under this program will be insured either by the FHA, the Mortgage Insurance Fund, the VA or a private mortgage guaranty insurance policy covering a loss of up to fifty percent (50%), one hundred percent (100%) in the case of a FHA insured loan, of the outstanding principal amount of the mortgage loans.

Single Family Mortgage Bonds 1995 Issue B: The Single Family Mortgage Bonds 1995 Issue B provide financing for the Agency's Home Mortgage Program which purchases eligible mortgage loans, secured by trust deeds on newly constructed or existing single family homes, condominiums, planned unit developments and manufactured housing permanently attached to the land and originated and serviced by qualified lending institutions. All mortgage loans purchased under this program will be insured either by the FHA, the Mortgage Insurance Fund, the VA or a private mortgage guaranty insurance policy covering a loss of up to fifty percent (50%), one hundred percent (100%) in the case of a FHA insured loan, of the outstanding principal amount of the mortgage loans.

Single Family Mortgage Bonds II: The Single Family Mortgage Bonds II, a parity indenture, provide financing for the Agency's Home Mortgage Program which purchases eligible mortgage loans, secured by trust deeds on newly constructed or existing single family homes, condominiums, planned unit developments and manufactured housing permanently attached to the land and originated and serviced by qualified lending institutions. All mortgage loans purchased under this program will be insured either by the FHA, the Mortgage Insurance Fund, the VA or a private mortgage guaranty insurance policy covering a loss of up to fifty percent (50%), one hundred percent (100%) in the case of a FHA insured loan, of the outstanding principal amount of the mortgage loans.

Draw Down Bonds: The Draw Down Bonds are a low cost means for preserving tax exempt borrowing authority; they were issued in lieu of short term notes. The bonds are unrated and are issued in variable rate form and have monthly or weekly rate resets based on certain indices. The bonds are secured solely by their proceeds which are invested in investment agreements or the SMIF. The investments bear interest rates equal to or slightly in excess of the rates on the bonds.

Multi-Unit Rental Housing Revenue Bonds (I & II): These bonds, issued in two phases under the Multi-Unit Rental Housing Program, provide for the permanent financing of newly constructed or substantially rehabilitated multi-unit rental housing developments. Housing developments financed under this program are designed primarily for occupancy by persons and families of low or moderate income.

Multifamily Loan Purchase Bonds: On July 26, 2000, the Agency purchased 278 HUD Section 236 loans with an aggregate unpaid principal balance of approximately $270 million. The purpose of this transaction was to enhance the ability of the Agency to assist affordable housing sponsors to refinance their projects and extend the period during which the units are offered at affordable rents to very-low-income and lower-income tenants. The Agency expects to provide the financing for many of these transactions.

Multifamily Housing Revenue Bonds: The Multifamily Housing Revenue Bonds funded Tara Village Apartments, a multifamily residential development intended for occupancy in part by persons and families of very low income. The loan was collateralized by a Guaranteed Mortgage Pass-through Certificate issued by the Federal National Mortgage Association.

Housing Revenue Bonds (Insured): The Housing Revenue Bond Program provides for the construction and/or permanent financing of newly constructed or substantially rehabilitated rental housing developments and the refinancing of certain multi-unit dwellings through the issuance of Housing Revenue bonds. Housing developments financed under this program are designed in part for occupancy by persons and families of low or moderate income who need not be eligible for rental subsidy assistance.

Multifamily Housing Revenue Bonds II: The Multifamily Housing Revenue Bonds II are fixed rate bonds collateralized by the Government National Mortgage Association ("GNMA") mortgage-backed securities and/or FHA insured loans. The bonds were issued to provide financing for multi-unit rental housing developments which are utilized for occupancy by persons and families of low and moderate income. The loans may provide acquisition, construction (both for new construction and rehabilitation) and permanent financing for developments.

Multifamily Housing Revenue Bonds III: The Multifamily Housing Revenue Bonds III are fixed or variable rate bonds collateralized by GNMA mortgage-backed securities and/or FHA insured loans and/or uninsured loans. The bonds provide financing for multi-unit rental housing developments which are utilized for occupancy by persons and families of low and moderate income. The loans may provide acquisition, construction (both for new construction and rehabilitation), and permanent financing for developments.

Housing Assistance Trust: The Housing Assistance Trust ("HAT") is comprised of Agency investments in special purpose mortgage loans promoting both rental housing and homeownership, remaining investments in mortgage loans from fully redeemed bond indentures, and funds to assist in the development of single and multifamily projects through various low-interest loan and technical assistance programs. Also included within HAT are funds held in trust representing Earned Surplus and Financial Adjustment Factor ("FAF") Savings from HUD Section 8 projects. Earned Surplus is to be used in lowering the rents for persons and families of low or moderate income in accordance with state law. FAF Savings are to be used in providing decent, safe, and sanitary housing, which is available for very-low income families and persons qualifying in accordance with federal law.

Contract Administration Programs: The Agency administers loan and grant programs for the Rental Housing Construction Program, the School Facilities Fee Assistance Program, the California Homebuyer's Downpayment Assistance Program and programs offered pursuant to the Housing and Emergency Shelter Trust Fund Act of 2002. Funding of these programs was appropriated by the legislature or provided by voter authorized State bond programs to other departments and agencies within the State that have contracted with the Agency for this purpose. All monies transferred in accordance with the agreements and for the purposes of the program are considered assets of the Fund. The Fund received transfers in the amount of $39,685,000 during fiscal year 2004.

Revolving Credit Agreement: The Agency entered into an agreement with a financial institution to provide a line of credit for short-term borrowings of up to $100,000,000. Under the terms of the agreement the Agency elects a fixed or variable rate of interest dependant on the expected duration of the draw and determined on the date of the draw as a stated spread to an associated index. The line of credit is available to the Agency until February 28, 2005 and may be extended pursuant to the agreement. The proceeds of this credit facility are used for working capital purposes, including warehousing of multifamily program loans or homeownership program loans and making counterparty payments for various financial contracts. At June 30, 2004 draws totaling $42,216,000 were outstanding.

Supplementary Bond Security Account: This account was established exclusively to secure issuances of bonds. This security may be accomplished by creating supplementary reserve accounts to provide for payment of the principal, interest, redemption premiums or sinking fund payments on bonds, or by insuring mortgage loans made with the proceeds of bond issues.

Emergency Reserve Account: This account was established by the Agency to meet its obligations and liabilities incurred in connection with its housing loan programs. This reserve is maintained at approximately one percent (1%) of the aggregate amount of the Agency's net program loans receivable.

Loan Servicing: The Agency services nearly all multifamily program loans, a small portion of the homeownership program loans in first lien position, all junior or subordinate lien homeownership program loans and certain other loans for the California State Teachers Retirement System. Loan servicing agreements require that the Agency hold and maintain escrow and reserve accounts, on behalf of borrowers, that are reported as "Deposits and other Liabilities".

Loan Warehousing: The Agency borrowed $300,000,000 from the State's Pooled Money Investment Account for short-term warehousing of Agency loans. Homeownership loans are typically warehoused as they are purchased from originating lenders and subsequently transferred to individual bond financings on a monthly basis. The borrowing, which is reapplied for and approved in six-month intervals, requires that interest be paid on the loan at a rate equal to the earnings rate on the State's Surplus Money Investment Fund ("SMIF") on the date of the new loan.

Operating Account: The Operating Account was established for purposes of depositing funds available to the Agency for payment of operating and administrative expenses of the Agency and financing expenditures not associated with specific bond funds

Note 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation and Accounting: The Fund is accounted for as an enterprise fund. Accordingly, the accompanying combined financial statements have been prepared using the accrual method of accounting and on the basis of accounting principles generally accepted in the United States of America (hereinafter referred to as "Generally Accepted Accounting Principles").

Accounting and Reporting Standards: The Agency follows the Standards of Governmental Accounting and Financial Reporting, as promulgated by the Governmental Accounting Standards Board ("GASB"). The Agency has adopted the option under GASB No. 20 that allows the Agency to apply all GASB pronouncements and only Financial Accounting Standards Board ("FASB") pronouncements which date prior to November 30, 1989.

Use of Estimates: The preparation of combined financial statements in conformity with Generally Accepted Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities at the date of the combined financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ materially from those estimates.

Cash and Cash Equivalents: The Agency considers cash on hand, cash on deposit with financial institutions and cash held in money market funds to be cash and cash equivalents.

Investments: All investments are reported at fair value as determined by financial services providers or financial publications, except for certain non-participating fixed interest investment contracts which are valued using cost based measures. The net increase (decrease) in the fair value of investments includes both realized and unrealized gains and losses.

Interest Rate Swap Agreements: The Agency enters into interest rate swap agreements with swap counterparties to manage variable interest rate risk exposure resulting from the issuance of variable rate bonds. The interest rate swap agreements provide synthetic fixed rates of interest on the underlying bonds and are accounted for as matched swaps in accordance with settlement accounting. An interest rate swap is considered to be a matched swap if it is linked through designation with an asset or liability that is on the balance sheet, provided that it has the opposite interest characteristics of such balance sheet item. Under settlement accounting, periodic net cash settlements under the swap agreements are treated as an increase or decrease in interest expense of the related bond liability over the lives of the agreements.

Program Loans Receivable: Loans receivable are carried at their outstanding principal balances, less an allowance for loan losses.

Allowance for Program Loan Losses: The Agency's policy is to charge expenses for estimated probable losses which are established as an allowance for loan losses. The allowance is an amount that management believes will be adequate to absorb losses inherent in existing loans based on evaluations of collectibility and prior loss experience. The evaluations take into consideration such factors as changes in the nature and volume of the portfolio, overall portfolio quality, loan concentrations, specific problem loans, delinquencies, and anticipated economic and other conditions that may affect the borrowers' ability to repay the loans. While management uses the best information available to evaluate the adequacy of its allowance, future adjustments to the allowance may be necessary if actual experience differs from the factors used in making the evaluations.

Other Real Estate Owned("REO"): Property acquired by the Agency through foreclosure is recorded at the lower of estimated fair value less estimated selling costs (fair value) or the carrying value of the related loan at the date of foreclosure and is included in "Other Assets" on the accompanying combined financial statements. At the time the property is acquired, if the fair value is less than the loan amounts outstanding, any difference is charged against the allowance for loan losses. After acquisition, valuations are periodically performed and, if the carrying value of the property exceeds the current fair value, a valuation allowance is established by a charge to operations. Subsequent increases in the fair value may reduce or eliminate the allowance. Operating costs on foreclosed real estate are expensed as incurred. Costs incurred for physical improvements to foreclosed real estate are capitalized if the value is recoverable through future sale.

Bonds Payable – net: Bonds Payable are carried at their outstanding principal balances, less unamortized bond discounts, unamortized underwriters discounts and deferred losses on refundings.

Bond Premium, Discount and Deferred Financing Costs: Premium, discount and financing costs on bonds are deferred and amortized over the life of the related bond issue using the dollar-month method, which approximates the effective interest method.

Capital Appreciation Bonds: Capital appreciation bonds are payable upon redemption or at maturity in an amount equal to the initial principal amount of such bond plus an amount of interest which, based on semi-annual compounding from the original issuance date, will produce a yield to the stated maturity. This "Accreted Value" is accrued as bond interest, thereby increasing the original issuance amount of the capital appreciation bond which is not paid until redemption or maturity.

Compensated Absences: Agency employees accrue vacation or annual leave in varying amounts for each monthly period worked. Employees may accumulate leave time, subject to certain limitations, and upon retirement, termination, or death may be compensated for certain accumulated amounts at their then current rates of pay. The Agency records an expense for all accumulated leave that the Agency would be required to pay if all employees terminated their employment.

Deferred Revenue: Deferred revenue represents the receipt of certain loan commitment fees and other fees from lenders and borrowers, which is generally recognized as revenue over the life of the associated loans. Also included in deferred revenue is the cumulative amount by which pass-through revenues exceed expenses and allowable costs of issuance of certain programs. Such amounts are recognized as revenue to the extent that expenses exceed revenues in related Programs.

Fund Equity: Fund equity is classified as Invested in Capital Assets or Restricted Equity. Invested in Capital Assets represents investments in office equipment and furniture net of depreciation. Restricted Equity represents equity balances under the lien of bond indentures that are therefore pledged to bondholders. State statutes further restrict other net assets of the Fund solely for purposes of the Agency and provide for a continuing appropriation of such assets for the benefit of bondholders.

Extinguishment of Debt: The Agency accounts for gains and losses associated with debt refundings by deferring such gains or losses and recognizing them as revenues or expenses over the shorter of the term of the bonds extinguished or the term of the refunding bonds. Gains or losses associated with debt redemptions and maturing principal, other than refundings, are recognized as income or expense at the date of the extinguishment.

Operating Revenues and Expenses: The Fund's primary operating revenue is derived from the investment of bond proceeds in the loan programs and investment securities. The primary expense is interest expense on bonds outstanding. Net Interest income is an important measure of performance for the Fund. "Interest income program loans" and "interest income investments-net" are shown as operating revenues in the statements of Revenue, Expenses and Changes in Fund Equity.

Other Operating Revenues and Expenses: The Agency administers certain Section 8 contracts under the HUD guidelines of New Construction and Substantial Rehabilitation. Included in most contracts is an administrative fee earned by the Agency which totaled $1,559,000 and $1,514,000 the years ended June 30, 2004 and 2003, respectively. HUD pass-through payments aggregated $73,050,000 and $72,571,000 for the years ended June 30, 2004 and 2003, respectively, and are reported as other operating revenues and expenses within Other Programs and Accounts.

Recent Accounting Pronouncements: In March 2003, GASB issued Statement of Government Accounting Standards ("SGAS") No. 40, Deposit and Investment Risk Disclosures, an amendment of SGAS No. 3, Deposits with Financial Institutions, Investments (including Repurchase Agreements), and Reverse Repurchase Agreements. SGAS No. 40 requires disclosures regarding additional risks to which governments may be exposed. The Agency adopted the provisions of SGAS No. 40 for the Fund effective July 1, 2004. SGAS No. 40 requires disclosure of information covering investment credit risk disclosures; interest rate disclosures that include investment maturity information; interest rate sensitivity for investments that are highly sensitive to changes in interest rates; and foreign exchange exposures that would indicate the foreign investment's denomination. This new statement will not have any impact on the Funds financial position or results of operations.

Note 3 – CASH, CASH EQUIVALENTS AND INVESTMENTS

The Fund utilizes a cash and investment pool maintained by the State Treasurer's office. Each program and account's portion of this pool is included in investments on the balance sheet. In addition, other types of investments are separately held by most of the programs and accounts.

Cash and Cash Equivalents: At June 30, 2004 and 2003, all cash and cash equivalents, totaling $89,736,000 and $83,824,000, respectively, were covered by federal depository insurance or by collateral held by the Agency's agent in the Agency's name.

Investments: Investment of funds is restricted by the Act and the various bond resolutions and indentures of the Agency, generally, to certain types of investment securities, including direct obligations of the U.S. Government and its agencies, the State Treasurer's Pooled Money Investment Account, long term investment agreements which are issued by institutions rated within the top two ratings of a nationally recognized rating service, and other financial instruments. The Fund's investments are categorized to give an indication of the level of risk assumed by the Agency at June 30, 2004. Category 1 includes investments that are insured or registered or for which the securities are held within the Fund by the Agency's agent in the Agency's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the broker's or dealer's trust department or agent in the Agency's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the broker or dealer, or by its trust department or agency but not in the Agency's name.

Investments at June 30, 2004 and 2003 are as follows (dollars in thousands):

	Category 1	Category 2	Category 3	Fair Value June 30, 2004	Fair Value June 30, 2003
U.S. Treasury Securities	$ 1,523			$ 1,523	$ 10,936
U.S. Agency Securities --- GNMA's	37,262			37,262	63,034
Federal Agency Securities	29,493			29,493	35,851
Commercial Paper	6,994			6,994	6,555
Investment Agreements --- Financial Institutions (at cost)		$ 1,280,653		1,280,653	1,084,014
Total	$ 75,272	$ 1,280,653	$ -		
Other Investments (not subject to categorization):					
Surplus Money Investment Fund --- State of California				1,804,213	1,397,992
Other Investment Agreements (at cost)				816,284	896,007
Total Investments				$3,976,422	$3,494,389
Current portion				$3,909,294	$3,386,128
Noncurrent portion				67,128	108,261
Total				$3,976,422	$3,494,389

Note 4 – PROGRAM LOANS RECEIVABLE

Changes in program loans receivable for the years ended June 30, 2004 and 2003 are as follows (dollars in thousands):

	2004 Combined Totals	2003 Combined Totals
Beginning of year balance	$6,061,232	$6,783,733
Loans purchased/funded	1,503,465	1,282,140
Amortized principal repayments	(230,422)	(164,042)
Loan prepayments	(1,821,235)	(1,840,346)
Chargeoffs	(128)	(253)
Subtotal	5,512,912	6,061,232
Transfer REO to other assets	(158)	(1,332)
Allowance for loan losses	(52,886)	(50,583)
End of year balance	$5,459,868	$6,009,317
Current portion	$ 158,950	$ 183,957
Noncurrent portion	5,300,918	5,825,360
Total	$5,459,868	$6,009,317

Note 5 – ALLOWANCE FOR PROGRAM LOAN LOSSES

Changes in the allowance for program loan losses for the year ended June 30, 2004 and 2003 are as follows (dollars in thousands):

	2004 Combined Totals	2003 Combined Totals
Beginning of year balance	$50,583	$44,469
Provision for program loan losses	2,431	6,367
Chargeoffs	(128)	(253)
End of year balance	$52,886	$50,583

Note 6 – BONDS PAYABLE AND ASSOCIATED INTEREST RATE SWAPS

The Act empowers the Agency, on behalf of the Fund, to issue both federally taxable and tax exempt bonds and notes. Bonds and notes issued by the Agency are not debts of the State but are special and general obligations of the Agency payable solely from and collateralized by the revenues and other assets pledged under the respective indentures. The Act provides the Agency with the authority to have outstanding bonds or notes, at any one time, in the aggregate principal amount of $11,150,000,000, excluding refunding issues and certain taxable securities.

The Agency, on behalf of the Fund, as part of its interest rate risk management program, has entered into interest rate swap agreements with various counterparties wherein the Agency has agreed to pay fixed or variable rates of interest and receive floating rate payments.

Bonds payable and the terms and outstanding notional amounts and fair value of associated interest rate swaps as of June 30, 2004 are as follows (dollars in thousands):

	Bonds					
Bond Issue	**Type of Bond**	**Interest Rate Range**	**Final Maturity Date**	**Outstanding Fixed**	**Outstanding Variable**	**Total**
Home Mortgage Revenue Bonds:						
1982 Series A	Tax-Exempt	10.250%	2014	$ 2,585		$ 2,585
1982 Series B	Tax-Exempt	10.625%	2014	815		815
1983 Series A	Tax-Exempt	10.263%	2015	13,923		13,923
1983 Series B	Tax-Exempt	10.751%	2015	4,561		4,561
1984 Series B	Tax-Exempt	11.493%	2016	513		513
1985 Series A	Tax-Exempt	10.989%	2016	544		544
1985 Series B	Tax-Exempt	9.876%	2017	3,475		3,475
1993 Series B	Tax-Exempt	5.000% - 5.650%	2024	16,920		16,920
1993 Series C	Tax-Exempt	5.000% - 5.300%	2006	1,635		1,635
1993 Series E	Tax-Exempt	5.000% - 5.500%	2014	11,860		11,860
1994 Series B-1	Tax-Exempt	5.900% - 6.100%	2006	5,105		5,105
1994 Series D	Tax-Exempt	1.100%	2034		$ 12,300	12,300
1994 Series F-3	Tax-Exempt	6.100% - 6.200%	2026	13,265		13,265
1995 Series A-2	Tax-Exempt	1.100%	2026		4,350	4,350
1995 Series E	Tax-Exempt	5.400% - 6.250%	2016	14,970		14,970
1995 Series F	Tax-Exempt	5.650% - 5.950%	2025	11,460		11,460
1995 Series G	Tax-Exempt	5.600% - 5.900%	2009	14,780		14,780
1995 Series I	Tax-Exempt	1.000%	2035		17,300	17,300
1995 Series L	Tax-Exempt	5.250% - 5.900%	2026	6,000		6,000
1995 Series M	Tax-Exempt	5.250% - 5.900%	2026	11,900		11,900
1996 Series C -1	Tax-Exempt	5.050% - 5.550%	2009	6,565		6,565
1996 Series E	Tax-Exempt	5.200% - 5.700%	2009	28,965		28,965
1996 Series G	Tax-Exempt	5.400% - 6.150%	2026	12,500		12,500
1996 Series H	Tax-Exempt	5.400% - 6.150%	2026	8,090		8,090
1996 Series J-1	Tax-Exempt	4.750% - 5.450%	2016	10,400		10,400
1996 Series K	Tax-Exempt	5.450% - 6.150%	2016	22,085		22,085
1996 Series L	Tax-Exempt	5.450% - 6.150%	2016	2,440		2,440
1996 Series P	Tax-Exempt	5.150% - 6.000%	2014	8,040		8,040
1996 Series Q	Tax-Exempt	5.850%	2016	19,600		19,600
1996 Series R	Tax-Exempt	5.050% - 5.450%	2016	7,620		7,620
1997 Series A	Tax-Exempt	5.850%	2016	8,775		8,775
1997 Series B	Tax-Exempt	5.050% - 5.550%	2026	11,480		11,480
1997 Series C	Taxable	7.010%	2028	2,785		2,785
1997 Series D	Tax-Exempt	4.900% - 5.850%	2026	12,220		12,220
1997 Series E	Tax-Exempt	4.900% - 5.850%	2026	4,935		4,935
1997 Series F	Taxable	7.180%	2029	4,345		4,345

Swaps					
Fixed Rate Paid By Agency	Floating Rate Received By Agency	Effective Date	Termination Date	Outstanding Notional/Applicable Amount	Fair Value

					Bonds			
Bond Issue	**Type of Bond**	**Interest Rate Range**			**Final Maturity Date**	**Outstanding Fixed**	**Outstanding Variable**	**Total**
1997 Series G	Taxable			1.500%	2017		9,305	9,305
1997 Series H	Tax-Exempt	5.500%	-	6.740%	2029	7,740		7,740
1997 Series I	Tax-Exempt	4.550%	-	5.650%	2028	18,750		18,750
1997 Series K	Taxable	5.500%	-	6.740%	2029	5,535		5,535
1997 Series L	Tax-Exempt	4.300%	-	5.400%	2025	16,585		16,585
1997 Series M	Tax-Exempt	4.850%	-	5.600%	2029	10,830		10,830
1997 Series O	Tax-Exempt			5.650%	2027	15,900		15,900
1998 Series A	Tax-Exempt	4.100%	-	5.150%	2018	9,545		9,545
1998 Series B	Tax-Exempt	4.100%	-	5.150%	2018	19,215		19,215
1998 Series D	Taxable			6.100%	2029	4,365		4,365
1998 Series E-1	Tax-Exempt	4.950%	-	5.150%	2019	5,890		5,890
1998 Series E-2	Tax-Exempt	4.950%	-	5.200%	2019	11,660		11,660
1998 Series F	Tax-Exempt	4.450%	-	5.100%	2016	46,010		46,010
1998 Series G	Tax-Exempt	4.550%	-	4.650%	2005	4,190		4,190
1998 Series H	Taxable	6.330%	-	6.430%	2028	2,845		2,845
1998 Series J	Tax-Exempt	4.850%	-	5.300%	2029	14,035		14,035
1998 Series L	Taxable	6.070%	-	6.140%	2029	20,880		20,880
1998 Series M	Taxable			1.314%	2023		38,685	38,685
1998 Series N	Tax-Exempt	4.000%	-	5.150%	2022	19,235		19,235
1998 Series O	Taxable			5.570%	2022	14,585		14,585
1998 Series P	Taxable			1.095%	2029		36,500	36,500
1998 Series R	Tax-Exempt	3.950%	-	4.950%	2024	10,660		10,660
1998 Series S	Taxable			5.660%	2026	23,015		23,015
1998 Series T	Taxable			1.113%	2029		19,175	19,175
1999 Series A	Tax-Exempt			5.230%	2029	2,585		2,585
1999 Series B	Tax-Exempt	3.900%	-	5.480%	2029	16,610		16,610
1999 Series C	Taxable			6.250%	2013	33,050		33,050
1999 Series F	Tax-Exempt			5.200%	2028	7,747		7,747
1999 Series G	Taxable			6.870%	2011	27,880		27,880
1999 Series H	Taxable			1.042%	2019		1,875	1,875
1999 Series I	Tax-Exempt			0.910%	2015		18,245	18,245
1999 Series J	Tax-Exempt			1.018%	2020		12,595	12,595
1999 Series L	Tax-Exempt			5.550%	2027	2,398		2,398
1999 Series M	Taxable			7.120%	2012	36,550		36,550
1999 Series N	Tax-Exempt	4.550%	-	6.300%	2031	52,866		52,866
1999 Series O	Taxable			1.270%	2012		48,020	48,020
2000 Series B	Tax-Exempt	6.200%	-	6.850%	2019	9,573		9,573
2000 Series C	Tax-Exempt			1.079%	2031		41,330	41,330
2000 Series D	Taxable			1.315%	2023		55,360	55,360
2000 Series G	Tax-Exempt			1.133%	2017		7,090	7,090
2000 Series G	Tax-Exempt			1.133%	2031		55,800	55,800
2000 Series H	Taxable			1.250%	2017		78,140	78,140
2000 Series I	Tax-Exempt	4.950%	-	5.100%	2006	1,140		1,140
2000 Series J	Tax-Exempt			1.018%	2031		34,720	34,720
2000 Series K	Taxable			1.095%	2031		99,580	99,580
2000 Series L	Tax-Exempt			0.954%	2015		13,965	13,965
2000 Series N	Tax-Exempt			1.018%	2031		50,000	50,000
2000 Series Q	Tax-Exempt			1.044%	2032		17,010	17,010
2000 Series Q	Tax-Exempt			1.044%	2032		25,000	25,000
2000 Series R	Taxable			1.113%	2032		87,170	87,170
2000 Series R	Taxable			1.113%	2032		30,000	30,000
2000 Series T	Tax-Exempt	4.200%	-	4.500%	2032	12,034		12,034
2000 Series U	Tax-Exempt			1.047%	2017		37,555	37,555
2000 Series V	Taxable			1.310%	2032		82,055	82,055

Swaps						
Fixed Rate Paid By Agency	**Floating Rate Received By Agency**	**Effective Date**	**Termination Date**	**Outstanding Notional/Applicable Amount**		**Fair Value**
6.6550%	LIBOR	12/9/99	8/1/12	$	48,020	$ (3,421)
4.8500%	LIBOR @ 65%	1/27/00	2/1/17		41,330	(5,853)
7.1950%	LIBOR	1/27/00	2/1/13		55,360	(6,472)
Fixed	LIBOR @ 65%	4/6/00	8/1/08		7,090	(2,334)
4.8000%	LIBOR @ 65%	4/6/00	2/1/23		55,800	(7,227)
7.2600%	LIBOR	4/6/00	8/1/10		78,140	(6,753)
4.9000%	LIBOR @ 65%	5/25/00	8/1/30		34,720	(4,216)
7.5000%	LIBOR	5/25/00	2/1/17		99,580	(12,898)
5.1600%	LIBOR @ 65%	5/25/00	8/1/22		50,000	(5,517)
4.6600%	LIBOR @ 65%	7/27/00	2/1/16		17,010	(2,253)
4.9500%	LIBOR @ 65%	7/27/00	8/1/23		25,000	(2,903)
7.1100%	LIBOR	7/27/00	8/1/22		87,170	(12,813)
7.6500%	LIBOR	7/27/00	2/1/21		30,000	(2,651)
4.5275%	LIBOR @ 65%	10/5/00	8/1/15		37,555	(3,359)
7.0960%	6 mo LIBOR	10/5/00	8/1/14		82,055	(8,536)

	Bonds					
Bond Issue	**Type of Bond**	**Interest Rate Range**	**Final Maturity Date**	**Outstanding Fixed**	**Outstanding Variable**	**Total**
2000 Series X-1	Tax-Exempt	0.954%	2015		15,725	15,725
2000 Series X-2	Tax-Exempt	1.018%	2031		36,445	36,445
2000 Series Y	Tax-Exempt	6.150%	2020	8,277		8,277
2000 Series Z	Taxable	1.340%	2031		82,660	82,660
2001 Series A	Tax-Exempt	4.600%	2016	7,000		7,000
2001 Series B	Tax-Exempt	3.700% - 5.625%	2031	22,184		22,184
2001 Series C	Tax-Exempt	1.044%	2031		5,670	5,670
2001 Series C	Tax-Exempt	1.044%	2031		5,365	5,365
2001 Series D	Taxable	1.420%	2022		97,385	97,385
2001 Series E	Tax-Exempt	4.250% - 6.000%	2032	21,269		21,269
2001 Series F	Tax-Exempt	1.040%	2032		25,000	25,000
2001 Series G	Taxable	1.360%	2029		87,900	87,900
2001 Series H	Tax-Exempt	3.650% - 4.600%	2010	17,565		17,565
2001 Series J	Tax-Exempt	1.005%	2032		80,515	80,515
2001 Series K	Taxable	1.400%	2032		118,910	118,910
2001 Series L	Tax-Exempt	5.150%	2017	13,200		13,200
2001 Series M	Tax-Exempt	3.500% - 6.050%	2032	11,784		11,784
2001 Series N	Tax-Exempt	0.999%	2021		18,920	18,920
2001 Series O	Taxable	1.430%	2032		109,685	109,685
2001 Series Q	Tax-Exempt	3.000% - 5.750%	2033	17,325		17,325
2001 Series R	Tax-Exempt	0.997%	2023		17,710	17,710
2001 Series R	Tax-Exempt	0.997%	2032		7,195	7,195
2001 Series S	Taxable	1.470%	2023		72,855	72,855
2001 Series T	Tax-Exempt	4.800% - 5.700%	2032	27,459		27,459
2001 Series U	Tax-Exempt	1.005%	2032		62,150	62,150
2001 Series V	Taxable	1.290%	2031		56,850	56,850
2002 Series A	Tax-Exempt	6.000%	2033	25,411		25,411
2002 Series B	Tax-Exempt	1.014%	2033		49,170	49,170
2002 Series C	Taxable	1.410%	2033		73,470	73,470
2002 Series D	Taxable	1.330%	2030		79,780	79,780
2002 Series E	Taxable	1.130%	2033		17,000	17,000
2002 Series F	Tax-Exempt	0.999%	2033		68,250	68,250
2002 Series G	Tax-Exempt	6.250%	2022	17,469		17,469
2002 Series H	Taxable	1.410%	2022		63,175	63,175
2002 Series J	Tax-Exempt	1.005%	2033		103,220	103,220
2002 Series K	Tax-Exempt	5.700% - 6.250%	2033	27,264		27,264
2002 Series L	Taxable	1.410%	2024		55,720	55,720
2002 Series M	Tax-Exempt	0.999%	2032		41,600	41,600
2002 Series M	Tax-Exempt	0.999%	2032		9,775	9,775
2002 Series M	Tax-Exempt	0.999%	2033		42,465	42,465
2002 Series N	Tax-Exempt	1.650% - 4.150%	2014	14,115		14,115
2002 Series O	Taxable	1.380%	2033		53,465	53,465
2002 Series P	Tax-Exempt	1.040%	2027		61,000	61,000
2002 Series Q	Tax-Exempt	1.040%	2033		41,600	41,600
2002 Series R	Tax-Exempt	1.650% - 3.850%	2013	24,125		24,125
2002 Series S	Taxable	1.300%	2019		17,800	17,800
2002 Series T	Taxable	1.134%	2032		25,155	25,155
2002 Series U	Tax-Exempt	1.005%	2031		48,015	48,015
2002 Series U	Tax-Exempt	1.005%	2032		53,160	53,160
2002 Series V	Tax-Exempt	1.950% - 4.300%	2012	23,735		23,735
2003 Series A	Taxable	1.210%	2005		180,300	180,300
2003 Series B	Taxable	1.290%	2027		23,405	23,405
2003 Series C	Taxable	1.212%	2033		13,750	13,750
2003 Series D	Tax-Exempt	1.047%	2022		55,385	55,385

Swaps

Fixed Rate Paid By Agency	**Floating Rate Received By Agency**	**Effective Date**	**Termination Date**	**Outstanding Notional/Applicable Amount**	**Fair Value**
4.3580%	LIBOR @ 64%	12/13/00	8/1/15	15,725	(890)
4.5100%	LIBOR @ 65%	12/13/00	8/1/31	36,445	(3,456)
6.8430%	3 mo LIBOR	12/13/00	8/1/16	82,660	(8,028)
3.9000%	LIBOR @ 65%	1/25/01	8/1/20	5,670	(292)
Fixed	LIBOR @ 65%	1/25/01	8/1/16	5,365	(1,037)
6.2150%	3 mo LIBOR+.26%	1/25/01	8/1/19	97,385	(6,005)
3.8700%	LIBOR @ 65%	4/5/01	8/1/17	25,000	(1,580)
6.0100%	3 mo LIBOR+.20%	4/5/01	2/1/16	87,900	(6,411)
4.1430%	LIBOR @ 65%	5/31/01	8/1/24	80,515	(4,942)
3.9910%	LIBOR @ 65%	7/26/01	8/1/18	18,920	(1,034)
6.3600%	3 mo LIBOR+.27%	7/26/01	8/1/20	109,685	(7,326)
3.6900%	LIBOR @ 65%	10/10/01	2/1/19	17,710	(541)
Fixed	LIBOR @ 65%	10/10/01	8/1/11	7,195	(896)
5.5300%	3 mo LIBOR+.31%	10/10/01	8/1/18	72,855	(1,967)
4.1300%	BMA less .15%	12/6/01	8/1/32	62,150	(1,400)
3.8880%	LIBOR @ 65%	4/18/02	8/1/27	49,170	(2,673)
5.6000%	3 mo LIBOR+.25%	5/1/02	8/1/12	73,470	(4,208)
5.8000%	3 mo LIBOR+.17%	8/1/02	2/1/11	79,780	(3,878)
6.1950%	1 mo LIBOR	8/1/02	8/1/14	17,000	(1,585)
3.9940%	LIBOR @ 65%	6/6/02	2/1/24	68,250	(3,716)
5.5350%	3 mo LIBOR+.25%	11/1/02	2/1/13	63,175	(2,374)
3.8630%	LIBOR @ 65%	8/8/02	8/1/32	103,220	(4,449)
5.1000%	3 mo LIBOR+.25%	12/1/02	2/1/13	55,720	(1,314)
3.7280%	LIBOR @ 65%	10/17/02	8/1/22	41,600	(1,230)
Fixed	LIBOR @ 65%	10/17/02	8/1/12	9,775	(797)
4.4800%	LIBOR @ 65%	10/17/02	8/1/33	42,465	(1,504)
3.9890%	3 mo LIBOR+.22%	2/3/03	2/1/12	53,465	(130)
3.1480%	LIBOR @ 65%	12/12/02	8/1/22	61,000	808
3.8200%	LIBOR @ 65%	12/12/02	8/1/32	41,600	316
3.3500%	3 mo LIBOR+.14%	5/1/03	8/1/07	17,800	(47)
3.2400%	LIBOR @ 60%+.26%	3/6/03	2/1/31	48,015	254
3.9100%	LIBOR @ 60%+.26%	3/6/03	2/1/31	53,160	(241)
3.1300%	LIBOR @ 60%+.26%	4/10/03	8/1/19	55,385	631

	Bonds					
Bond Issue	**Type of Bond**	**Interest Rate Range**	**Final Maturity Date**	**Outstanding Fixed**	**Outstanding Variable**	**Total**
2003 Series D	Tax-Exempt	1.047%	2033		58,000	58,000
2003 Series E	Tax-Exempt	1.100% - 3.000%	2010	10,165		10,165
2003 Series F	Tax-Exempt	1.047%	2034		79,565	79,565
2003 Series F	Tax-Exempt	1.047%	2022		60,140	60,140
2003 Series G	Taxable	1.290%	2034		48,900	48,900
2003 Series H	Tax-Exempt	1.018%	2032		60,165	60,165
2003 Series H	Tax-Exempt	1.018%	2033		89,535	89,535
2003 Series I	Taxable	1.340%	2033		49,835	49,835
2003 Series J	Taxable	1.260%	2005		235,100	235,100
2003 Series K	Tax-Exempt	1.150%	2033		72,000	72,000
2003 Series K	Tax-Exempt	1.150%	2034		78,000	78,000
2003 Series L	Taxable	1.300%	2034		50,000	50,000
2003 Series M	Tax-Exempt	1.052%	2024		69,580	69,580
2003 Series M	Tax-Exempt	1.001%	2034		80,420	80,420
2003 Series N	Taxable	1.365%	2034		50,000	50,000
2004 Series A	Tax-Exempt	1.000%	2033		56,765	56,765
2004 Series A	Tax-Exempt	1.000%	2034		43,235	43,235
2004 Series B	Taxable	1.315%	2034		35,000	35,000
2004 Series C	Taxable	1.260%	2006		266,305	266,305
2004 Series D	Tax-Exempt	1.300% - 3.300%	2010	20,895		20,895
2004 Series E	Tax-Exempt	1.650%	2035		60,065	60,065
2004 Series E	Tax-Exempt	1.650%	2035		69,040	69,040
2004 Series F	Taxable	1.390%	2035		50,000	50,000
2004 Series G	Tax-Exempt	1.450%	2034		68,040	68,040
2004 Series G	Tax-Exempt	1.150%	2035		31,960	31,960
2004 Series H	Taxable	1.450%	2035		35,000	35,000
Single Family Mortgage Bonds 1995 Issue A:						
1995 Issue A-1	Taxable	7.900% - 8.240%	2014	2,835		2,835
1995 Issue A-2	Tax-Exempt	5.650% - 6.450%	2026	13,160		13,160
Single Family Mortgage Bonds 1995 Issue B:						
1995 Issue B-2	Tax-Exempt	5.200% - 6.300%	2027	15,795		15,795
Single Family Mortgage Bonds II:						
1997 Series A-1	Tax-Exempt	5.200% - 6.050%	2026	37,595		37,595
1997 Series B-1	Tax-Exempt	4.750% - 6.760%	2028	11,895		11,895
1997 Series B-2	Taxable	6.760%	2011	460		460
1997 Series B-3	Tax-Exempt	4.500% - 5.400%	2029	21,060		21,060
1997 Series B-4	Taxable	6.460%	2018	7,630		7,630
1997 Series C-1	Tax-Exempt	5.050%	2011	3,010		3,010
1997 Series C-2	Tax-Exempt	4.900% - 5.650%	2025	8,785		8,785
1997 Series C-3	Taxable	6.790%	2029	9,415		9,415
1997 Series C-4	Tax-Exempt	4.900% - 5.650%	2025	17,130		17,130
1998 Series A	Tax-Exempt	4.300% - 5.400%	2026	5,625		5,625
1998 Series B	Tax-Exempt	5.150% - 5.200%	2030	9,240		9,240
1999 Series A-1	Tax-Exempt	5.000%	2017	2,060		2,060
1999 Series A-2	Tax-Exempt	4.800% - 5.250%	2030	26,400		26,400
1999 Series A-3	Taxable	5.880%	2021	20,325		20,325
1999 Series A-4	Taxable	1.250%	2030		9,150	9,150
1999 Series D-2	Tax-Exempt	5.200% - 5.920%	2030	9,792		9,792
1999 Series D-3	Taxable	6.880%	2017	28,180		28,180

Swaps					
Fixed Rate Paid By Agency	Floating Rate Received By Agency	Effective Date	Termination Date	Outstanding Notional/Applicable Amount	Fair Value
3.7750%	LIBOR @ 60%+.26%	4/10/03	8/1/33	58,000	233
3.7000%	LIBOR @ 60%+.26%	3/26/03	2/1/34	79,565	641
3.1250%	LIBOR @ 60%+.26%	3/26/03	2/1/18	60,140	723
2.6750%	LIBOR @ 60%+.26%	8/7/03	8/1/30	60,165	2,754
3.4270%	LIBOR @ 60%+.26%	8/7/03	8/1/33	89,535	3,290
3.2700%	LIBOR @ 60%+.26%	8/1/04	2/1/18	72,000	(134)
4.2450%	LIBOR @ 60%+.26%	8/1/04	8/1/30	78,000	(1,506)
3.2250%	LIBOR @60%+.26%	2/2/04	8/1/19	69,580	466
3.8900%	LIBOR @60%+.26%	2/2/04	2/1/34	80,420	(300)
3.0875%	LIBOR @ 60%+.26%	8/1/04	8/1/30	56,720	808
4.0450%	LIBOR @ 60%+.26%	8/1/04	2/1/34	43,235	(388)
3.5400%	LIBOR @ 60%+.26%	4/1/05	8/1/20	60,065	(293)
4.1330%	LIBOR @ 60%+.26%	4/1/05	2/1/35	69,040	(808)
3.6100%	LIBOR @ 60%+.26%	2/1/05	2/1/34	67,995	(602)
4.0821%	LIBOR @ 60%+.26%	8/1/04	2/1/35	31,960	(541)

	Bonds					
Bond Issue	**Type of Bond**	**Interest Rate Range**	**Final Maturity Date**	**Outstanding Fixed**	**Outstanding Variable**	**Total**
Draw Down Bonds:						
Series 2003 B	Tax-Exempt	1.630%	2006		100,345	100,345
Multi-Unit Rental Housing Revenue Bonds I:						
1979 Series A	Tax-Exempt	6.875%	2022	9,475		9,475
1994 Series B	Tax-Exempt	6.400% - 7.125%	2024	12,595		12,595
Multi-Unit Rental Housing Revenue Bonds II:						
1992 Series A	Tax-Exempt	7.550%	2004	1,310		1,310
1992 Series B	Tax-Exempt	6.500% - 6.700%	2015	25,255		25,255
1994 Series A	Tax-Exempt	7.350% - 7.375%	2015	8,685		8,685
Multifamily Loan Purchase Bonds:						
2000 Series A	Taxable	Variable	2017	160,223		160,223
Multifamily Housing Revenue Bonds (TAR):						
1994 Series A	Tax-Exempt	6.300% - 7.150%	2024	6,960		6,960
Housing Revenue Bonds (Insured):						
1994 Series B	Tax-Exempt	5.700%	2016	5,490		5,490
1994 Series C	Tax-Exempt	5.500% - 6.250%	2025	9,550		9,550
1994 Series D	Tax-Exempt	6.300% - 6.400%	2025	2,625		2,625
1994 Series E	Tax-Exempt	5.850% - 6.750%	2026	20,535		20,535
1994 Series F	Tax-Exempt	6.000% - 6.900%	2026	15,545		15,545
Multifamily Housing Revenue Bonds II:						
1995 Series A	Tax-Exempt	6.250%	2037	11,195		11,195
1995 Series B	Tax-Exempt	5.250% - 6.300%	2026	38,010		38,010
1995 Series C	Taxable	6.750% - 8.100%	2037	20,560		20,560
1996 Series A	Tax-Exempt	6.050%	2027	16,920		16,920
1996 Series B	Tax-Exempt	5.250% - 6.150%	2022	30,880		30,880
Multifamily Housing Revenue Bonds III:						
1997 Series A	Tax-Exempt	5.850% - 6.050%	2038	69,345		69,345
1998 Series A	Tax-Exempt	4.350% - 5.500%	2038	35,080		35,080
1998 Series B	Tax-Exempt	4.350% - 5.500%	2039	84,300		84,300
1998 Series C	Tax-Exempt	4.100% - 5.300%	2028	15,320		15,320
1999 Series A	Tax-Exempt	4.100% - 5.375%	2036	40,580		40,580
2000 Series A	Tax-Exempt	1.054%	2035		33,335	33,335
2000 Series A	Tax-Exempt	1.054%	2035		54,390	54,390
2000 Series B	Tax-Exempt	0.984%	2031		8,245	8,245
2000 Series C	Tax-Exempt	1.050%	2033		63,300	63,300
2000 Series D	Tax-Exempt	1.000%	2031		17,680	17,680
2001 Series A	Tax-Exempt	1.050%	2032		13,570	13,570
2001 Series B	Tax-Exempt	1.000%	2033		8,795	8,795
2001 Series C	Taxable	1.116%	2041		23,590	23,590
2001 Series D	Tax-Exempt	0.954%	2022		3,080	3,080
2001 Series D	Tax-Exempt	0.954%	2022		2,640	2,640

Swaps					
Fixed Rate Paid By Agency	Floating Rate Received By Agency	Effective Date	Termination Date	Outstanding Notional/Applicable Amount	Fair Value
5.4550%	BMA less .15%	7/12/00	2/1/35	33,335	(5,311)
4.6600%	LIBOR @ 65%	7/12/00	2/1/26	54,390	(6,187)
4.5850%	LIBOR @ 64%	7/12/00	2/1/31	8,245	(859)
4.4300%	LIBOR @ 65%	11/16/00	2/1/33	63,300	(6,865)
4.3950%	LIBOR @ 64%	11/16/00	2/1/31	17,680	(1,728)
4.6200%	BMA less .15%	2/22/01	2/1/32	13,570	(794)
4.5900%	BMA less .25%	2/22/01	2/1/33	8,795	(574)
4.4520%	BMA less .20%	6/2801	8/1/22	3,080	(169)

Bond Issue	Type of Bond	Interest Rate Range	Final Maturity Date	Outstanding Fixed	Outstanding Variable	Total
	Bonds					
2001 Series E	Tax-Exempt	1.032%	2036		54,800	54,800
2001 Series E	Tax-Exempt	1.032%	2036		13,670	13,670
2001 Series F	Tax-Exempt	1.020%	2032		18,165	18,165
2001 Series G	Tax-Exempt	1.040%	2036		46,885	46,885
2001 Series G	Tax-Exempt	1.040%	2036		10,655	10,655
2001 Series G	Tax-Exempt	1.040%	2036		15,525	15,525
2001 Series H	Taxable	1.109%	2036		15,595	15,595
2002 Series A	Tax-Exempt	1.032%	2037		19,185	19,185
2002 Series A	Tax-Exempt	1.032%	2037		13,275	13,275
2002 Series A	Tax-Exempt	1.032%	2037		15,615	15,615
2002 Series B	Tax-Exempt	1.019%	2035		32,895	32,895
2002 Series C	Tax-Exempt	1.069%	2037		14,970	14,970
2002 Series C	Tax-Exempt	1.069%	2037		17,350	17,350
2002 Series C	Tax-Exempt	1.069%	2037		5,935	5,935
2002 Series D	Tax-Exempt	0.954%	2035		12,610	12,610
2002 Series D	Tax-Exempt	0.954%	2035		105	105
2002 Series E	Tax-Exempt	1.033%	2037		16,350	16,350
2002 Series E	Tax-Exempt	1.033%	2037		42,025	42,025
2002 Series E	Tax-Exempt	1.033%	2037		12,810	12,810
2003 Series A	Tax-Exempt	1.073%	2038		29,710	29,710
2003 Series A	Tax-Exempt	1.073%	2038		28,795	28,795
2003 Series A	Tax-Exempt	1.073%	2038		5,510	5,510
2003 Series B	Tax-Exempt	1.150%	2038		9,415	9,415
2003 Series B	Tax-Exempt	1.150%	2038		15,845	15,845
2003 Series B	Tax-Exempt	1.150%	2038		9,545	9,545
2003 Series B	Tax-Exempt	1.150%	2038		34,920	34,920
2003 Series C	Tax-Exempt	1.078%	2038		16,850	16,850
2003 Series C	Tax-Exempt	1.078%	2038		17,470	17,470
2003 Series C	Tax-Exempt	1.078%	2038		19,010	19,010
2003 Series C	Tax-Exempt	1.078%	2038		43,965	43,965
2004 Series A	Tax-Exempt	1.100%	2034		23,500	23,500
2004 Series B	Tax-Exempt	1.250%	2039		12,950	12,950
2004 Series B	Tax-Exempt	1.250%	2039		7,590	7,590
2004 Series B	Tax-Exempt	1.250%	2039		5,680	5,680
2004 Series B	Tax-Exempt	1.250%	2039		16,890	16,890
2004 Series B	Tax-Exempt	1.250%	2039		3,060	3,060
2004 Series B	Tax-Exempt	1.250%	2039		53,340	53,340
Multifamily Draw Down Bonds:						
Series 2002	Tax-Exempt	1.127%	2005		21,555	21,555
				$1,989,131	$5,899,515	7,888,646
Unamortized discount						(1,131)
Unamortized deferred losses on refundings						(14,508)
Total						$7,873,007

Swaps					
Fixed Rate Paid By Agency	Floating Rate Received By Agency	Effective Date	Termination Date	Outstanding Notional/Applicable Amount	Fair Value
4.7120%	BMA less .15%	6/28/01	2/1/36	54,800	(3,719)
4.0290%	BMA less .20%	2/1/02	2/1/32	18,165	(451)
4.2050%	BMA less .15%	2/1/02	8/1/36	46,885	(1,124)
4.5950%	BMA less .15%	2/1/04	2/1/34	10,655	(697)
4.5000%	BMA less .15%	8/1/02	8/1/32	19,185	(875)
4.8900%	BMA less .15%	2/2/04	2/1/37	13,275	(1,095)
4.0370%	BMA less .20%	2/1/03	2/1/35	32,895	(564)
4.4050%	BMA less .15%	2/1/04	2/1/37	14,970	(626)
4.6380%	BMA less .15%	8/1/05	8/1/37	17,350	(417)
4.0850%	BMA less .20%	2/3/03	2/1/35	12,610	(160)
4.1510%	BMA less .15%	2/3/03	2/1/34	16,350	(203)
4.5710%	BMA less .15%	11/1/04	8/1/37	42,025	(1,309)
4.2950%	BMA less .15%	9/1/05	2/1/38	29,710	795
3.3850%	BMA less .15%	8/1/03	8/1/36	28,795	1,352
3.8830%	LIBOR @ 60%+.26%	12/1/04	8/1/38	9,415	(235)
3.9680%	LIBOR @ 60%+.26%	7/1/05	2/1/36	15,845	(375)
4.0600%	LIBOR @ 60%+.26%	2/1/06	8/1/38	9,545	(237)
3.5560%	LIBOR @ 60%+.26%	2/1/04	8/1/35	16,850	(214)
4.0260%	LIBOR @ 60%+.26%	8/1/05	8/1/35	17,470	(251)
4.1770%	LIBOR @ 60%+.26%	2/1/06	8/1/38	19,010	(306)
3.0590%	LIBOR @ 60%+.26%	8/1/04	8/1/34	23,900	836
3.6920%	LIBOR @ 60%+.26%	8/1/06	8/1/36	12,950	284
3.3860%	LIBOR @ 60%+.26%	8/1/04	8/1/34	7,590	167
3.3300%	LIBOR @ 60%+.26%	8/1/04	8/1/34	5,680	171
4.9783%	BMA less .15%	8/1/06	2/1/39	16,890	(510)
4.5390%	BMA less .15%	8/1/04	8/1/34	3,060	(107)
				$4,102,750	$(187,162)

Changes in bonds payable for the year ended June 30, 2004 and 2003 are as follows (dollars in thousands):

	2004 Combined Totals	2003 Combined Totals
Beginning of year balance	$8,136,870	$8,148,211
New bonds issued	2,048,335	2,055,285
Scheduled maturities	(187,776)	(171,079)
Redemptions	(2,144,110)	(1,926,669)
Bond accretions	18,131	29,414
Unamortized discount	650	848
Unamortized deferred loss	1,226	1,255
Additions to deferred costs	(428)	(517)
Reclassified discount as deferred loss	109	122
End of year balance	$7,873,007	$8,136,870
Current portion	$ 700,927	$ 623,574
Noncurrent portion	7,172,080	7,513,296
Total	$7,873,007	$8,136,870

The Agency's variable rate debt is typically related to common indices such as the Bond Market Association ("BMA") or the London Inter-Bank Offered Rate ("LIBOR") and resets periodically. The interest calculations shown in the table below are based on the variable rate in effect at June 30, 2004, and may not be indicative of the actual interest expense that will be incurred by the Fund. As rates vary, variable rate bond interest payments and net swap payments will vary. The table below provides a summary of debt service requirements and net swap payments for the next five years and in five years increments thereafter (dollars in thousands):

Fiscal Year	Fixed/Variable Unswapped		Variable Swapped		Interest Rate	
Ending June 30	Principal	Interest	Principal	Interest	Swaps, Net	Total
2005	$ 628,127	$ 98,542	$ 72,820	$ 40,405	$ 133,733	$ 973,627
2006	106,432	86,151	80,175	43,015	137,490	453,263
2007	374,727	81,654	88,135	41,241	131,400	717,157
2008	120,343	76,765	94,255	38,664	122,836	452,863
2009	132,433	73,589	98,100	35,998	113,347	453,467
2010-2014	603,174	322,835	533,340	143,614	443,801	2,046,764
2015-2019	589,074	238,028	621,150	92,564	283,680	1,824,496
2020-2024	321,451	170,160	730,875	57,369	177,499	1,457,354
2025-2029	370,494	120,785	863,910	33,638	104,695	1,493,522
2030-2034	237,931	48,520	822,440	12,475	38,818	1,160,184
2035-2039	277,560	28,737	97,240	1,092	3,586	408,215
2040-2041	24,460	499				24,959
Total	$ 3,786,206	$ 1,346,265	$ 4,102,440	$ 540,075	$ 1,690,885	$ 11,465,871

Objective of the Interest Rate Swaps*:* In order to protect against rising rates, the Agency primarily entered into swaps to establish synthetic fixed rates for a like amount of the Agency's variable rate bond obligations. The majority of the Agency's interest rate swap transactions are structured for the Agency to pay a fixed interest rate while receiving a variable interest rate (fixed payer swaps), the exceptions are listed below under Basis Risk Associated with Interest Rate Swaps. Synthetic fixed rates provide the Agency with a significantly lower fixed cost of funds compared to issuing fixed-rate bonds.

Terms, Fair Value and Credit Risk of Interest Rate Swaps*:* The terms of the outstanding fixed payer swaps as of June 30, 2004 are summarized in the table above. The terms of the outstanding basis swaps are summarized in the table under Basis Risk Associated with Interest Rate Swaps. The Agency has also entered into three anticipatory swaps with a total notional amount of $57,190,000, these Swaps were not effective at June 30, 2004.

All notional amounts (or “applicable amounts”) of the fixed payer swaps match the principal amounts of the associated debt with the following exceptions (dollars in thousands):

Bond Issue		Bonds Outstanding	Swaps Notional Amount	Unmatched Swaps	Fair Value
Home Mortgage Revenue Bonds:					
2000 Series C	*	$ 41,330	$ 42,500	$ 1,170	$ (167)
2000 Series G		55,800	60,000	4,200	(506)
2000 Series Q		17,010	19,395	2,385	(277)
2002 Series M		42,465	44,080	1,615	(55)
2003 Series D		55,385	57,865	2,480	27
2003 Series H		60,165	60,280	115	5
Total		$ 272,155	$ 284,120	$ 11,965	$ (973)

*Includes Basis Swaps.

As of June 30, 2004 the fair value of the unmatched swaps is reported in the combined balance sheets as “Deposits and other liabilities” or “Accounts receivable” and as a gain or loss on the fair value of the swaps as “Other Revenues” or “Other Expenses” in the combined statements of revenues, expenses and changes in Fund equity. The Agency did not pay or receive any cash when the swap transactions were initiated.

The Agency utilizes ten highly-creditworthy counterparties for its interest rate swap transactions. Eighty percent of the notional amount outstanding at June 30, 2004 is with four of the counterparties. The largest single exposure to any one counterparty is $1,186,065,000. The Agency negotiated “asymmetrical” credit requirements for all interest rate swap transactions. These asymmetrical provisions impose higher credit standards on the counterparties than on the Agency. Counterparties are required to collateralize their exposure to the Agency when their credit ratings fall from double-A to the highest single-A category (A1/A+), whereas the Agency is not required to provide collateralization until its ratings fall to the mid-single-A category (A2/A).

Because interest rates have generally declined, the aggregate fair value of the Agency’s fixed payer swap agreements had a negative fair value of $187,162,000 as of June 30, 2004. Fair values are as reported by the Agency’s dealer counterparties and are estimated using the zero-coupon method.

As of June 30, 2004, the Agency’s swap portfolio has an aggregate negative fair value and the Agency is not exposed to credit risk. However, should interest rates begin to rise; the negative fair value of the swap portfolio would be reduced and could eventually become positive. At this point, the Agency would become exposed to the counterparties’ credit, since the counterparties would be obligated to make payments to the Agency in the event of termination.

The table below shows the number of fixed payer swaps and outstanding notional amounts by the counterparties’ respective credit ratings (dollars in thousands).

Moody’s	Standard & Poors	Outstanding Notional Amount	Number of Swap Transactions
Aaa	AAA	$1,205,985	26
Aaa	AAA[t]	599,390	17
Aaa	AA+	167,145	4
Aa3	AA-	146,175	6
Aa3	A+	862,520	18
Aa2	AA+	91,635	2
Aa2	AA	99,955	2
Aa1	AA-	941,910	22
		$4,114,715	97

Basis Risk Associated with Interest Rate Swaps: All of the Agency’s interest rate swaps contain an element of basis risk, the risk that the floating rate component of the swap will not match the floating rate of the underlying bonds. This risk arises because floating rates paid by swap counterparties are based on indices, which consist of market-wide averages, while interest paid on the Agency’s variable rate bonds is specific to individual bond issues.

Historically, the Agency's variable rate tax-exempt bonds trade at a slight discount to the BMA index. For those swaps associated with tax-exempt bonds for which the Agency receives a variable rate payment based on a percentage of LIBOR, the Agency is exposed to basis risk should the relationship between BMA and LIBOR converge.

Based on the historic relationship between short-term tax-exempt and taxable rates, the Agency initially chose to enter into many swaps at a ratio of 65% of LIBOR. However, with short-term rates at historic lows, the historic relationship between tax-exempt and taxable rates has not been maintained. Therefore, after considerable study of California tax-exempt variable rate history, the Agency settled on a new formula (60% of LIBOR plus a spread, currently .26%) that results in comparable fixed-rate economics but performs better when short-term rates are low and the BMA/LIBOR percentage is high. As of June 30, 2004, the BMA rate was 1.05%, 65 percent of one-month LIBOR was 0.8897% and 60 percent of one-month LIBOR plus 26 basis points was 1.0813%. Since December of 2002 the Agency has used this new formula, and the Agency expects to continue to use this formula for LIBOR based swaps exclusively. In addition, the Agency entered into 13 basis swaps as a means to change the variable rate formula received for $691,585,000 outstanding notional amount. These basis swaps changed the variable rate formula received from counterparties from 65% of LIBOR to those described in the table below (dollars in thousands):

Bond Issue	Variable Rate Paid By Agency	Floating Rate Received By Agency */**	Effective Date	Termination Date	Outstanding Notional/Applicable Amount	Fair Value
Home Mortgage Revenue Bonds:						
2000 Series C	LIBOR @ 65%	LIBOR @ 79%-0.019%	2/1/04	2/1/17	$ 42,500	$ (208)
2000 Series J	LIBOR @ 65%	LIBOR @ 79%-0.019%	2/1/04	8/1/30	34,720	(280)
2000 Series U	LIBOR @ 65%	LIBOR @ 79%-0.019%	2/1/04	8/1/15	37,555	(116)
2000 Series X-2	LIBOR @ 65%	LIBOR @ 79%-0.019%	2/1/04	8/1/31	36,445	(288)
2001 Series J	LIBOR @ 65%	LIBOR @ 50.6%+0.494%	2/1/04	8/1/24	80,515	(512)
2001 Series N	LIBOR @ 65%	LIBOR @ 79%-0.019%	2/1/04	8/1/18	18,920	(63)
2002 Series B	LIBOR @ 65%	LIBOR @ 79%-0.019%	2/1/04	8/1/27	49,170	(465)
2002 Series F	LIBOR @ 65%	LIBOR @ 79%-0.019%	2/1/04	2/1/24	68,250	(451)
2002 Series J	LIBOR @ 65%	LIBOR @ 50.6%+0.494%	2/1/04	8/1/32	103,220	(748)
2002 Series M	LIBOR @ 65%	LIBOR @ 79%-0.019%	2/1/04	8/1/22	41,600	(413)
2002 Series P	LIBOR @ 65%	LIBOR @ 50.6%+0.494%	2/1/04	8/1/22	61,000	(515)
Multifamily Housing Revenue Bonds III:						
2000 Series A	LIBOR @ 65%	LIBOR @ 50.6%+0.494%	2/1/04	2/1/26	54,390	(500)
2000 Series C	LIBOR @ 65%	LIBOR @ 50.6%+0.506%	2/1/04	2/1/23	63,300	(566)
					$ 691,585	$ (5,125)

*the notional amount and the amortization of these swaps mirror the initial 65% of LIBOR swaps, basically overlaying the swaps so that the effective rate received from the counterparties are the rates shown in the table above.

**the variable interest rate received by the counterparties is dependent on the LIBOR interest rate at the time of settlement. the rate shown in the table is the effective rate at 6/30/04.

In addition, the Multifamily Housing Revenue Bonds III Series 2000 C has two associated interest rate swaps, one for $63,300,000, the total amount of the bonds outstanding, and the second on $12,900,000 of the same bonds (the second swap is not reflected in the interest rate swap table above). Under the terms of the first swap the Agency pays a fixed interest rate and receives a variable interest rate; while under the second swap, the Agency elected to pay a variable rate of interest based on a percentage of LIBOR and receive a variable rate of interest based on BMA.

Termination Risk associated with Interest Rate Swaps: Counterparties to the Agency's interest rate swap agreements have ordinary termination rights that require settlement payments by the Agency or the counterparty based on the fair value of the swap at the date of termination. As of June 30, 2004, no termination events have occurred.

Rollover Risk Associated with Interest Rate Swaps: The Agency's interest rate swap agreements have limited rollover risk as the swap agreements contain scheduled reductions to outstanding notional amounts that are expected to follow scheduled and anticipated reductions in the associated bonds payable. Twenty-eight swap agreements contain par termination rights to accommodate unexpected faster pay-down of the associated bonds from higher rates of prepayment of the homeownership loan portfolio.

Note 7 – NONMORTGAGE INVESTMENT EXCESS

In accordance with Federal law, the Agency is required to rebate to the Internal Revenue Service (“IRS”) the excess of the amount actually earned on all nonmortgage investments (derived from investing the bond proceeds) over the amount that would have been earned had those investments borne a rate equal to the yield on the bond issue, plus any income attributable to such excess. As of June 30, 2004 and 2003, the Fund had liabilities to the IRS totaling $23,829,000 and $23,332,000, respectively reported in the combined balance sheets as “Due to other Government entities”. The net effect of changes in the liability account has been recorded as a reduction of “Interest income from Investments” in the combined statements of revenues, expenses and changes in Fund equity.

Note 8 – EXTINGUISHMENT OF DEBT

On December 10, 2003 the Agency issued Multifamily Housing Revenue Bonds III 2003 Series C on February 2, 2004 a portion of the proceeds were used to refund Multi-Unit Rental Housing Revenue Bonds 1993 Series A. The loss from the debt refundings was deferred and will be amortized as a component of interest expense over the shorter of the term of the bonds extinguished or the term of the refunding bonds.

A summary of the loss from the extinguishment of the Multifamily Rental Housing Programs’ debt for the year ended June 30, 2004 is as follows (dollars in thousands):

Unmatured principal	$13,690
Unamortized bond issuance costs	(45)
Unamortized underwriter's discount	(109)
Net obligation defeased	13,536
Less proceeds disbursed	13,690
Less premiums disbursed	274
Deferred loss on defeasance	$ (428)

The refunding will decrease the debt service cash outflow for Multifamily Programs by approximately $4,384,257. The refunding may also provide for an economic gain (present value of the difference between new and old debt service requirements) for Multifamily Programs, which is estimated to be approximately $2,412,799.

Note 9 – PENSION PLAN

The Fund contributes to the Public Employees’ Retirement Fund (“PERF”) as part of the State of California, the primary government. The PERF is a cost-sharing multiple-employer defined benefit pension plan administered by the California Public Employment Retirement System (“CalPERS”). CalPERS provides retirement, death, disability and post retirement health care benefits to members as established by state statute. CalPERS issues a publicly available Comprehensive Annual Financial Report (“CAFR”) that includes financial statements and required supplementary information for the Public Employees’ Retirement Fund. A copy of that report may be obtained from CalPERS, Central Supply, P.O. Box 942715, Sacramento, CA 95229-2715 or via the internet at www.calpers.ca.gov.

The State of California, pursuant to the Memoranda of Understanding with the employee unions, agreed to a temporary cessation of employee retirement contributions for the 2003 fiscal year and also extended the temporary cessation of employment retirement contributions for the 2004 fiscal year for State miscellaneous and industrial employees. As a result, the contribution rates were reduced from the statutory 5% or 6% to 0%.

For the CalPERS fiscal years ended June 30, 2004 and 2003 the employer contribution rates were 10.265% - 14.843% and 2.813% - 7.413%, respectively.

The Fund’s contributions to the PERF for the years ended June 30, 2004, 2003 and 2002 were $1,802,204, $783,792 and $373,684 respectively, equal to the required contributions for each fiscal year.

Required contributions are determined by actuarial valuation using the individual entry age normal actuarial cost method. The most recent actuarial valuation available is as of June 30, 2002 which actuarial assumptions included (a) 8.25% investment rate of return compounded annually, (b) projected salary increases that vary based on duration of service, and (c) overall payroll growth factor of 3.75% annually. Both (a) and (c) included an inflation component of 3.5% and a .25% per annum productivity increase assumption. The amortization method is based on a level percentage of payroll closed. The remaining amortization at June 30, 2002 was 13 to 30 years.

The most recent actuarial valuation of the PERF indicated that there was an unfunded actuarial accrued liability. The amount of the under funded liability applicable to each agency or department cannot be determined. Trend information, which presents CalPERS progress in accumulating sufficient assets to pay benefits when due is presented in the June 30, 2003 CalPERS CAFR.

Note 10 – COMMITMENTS

As of June 30, 2004, the Agency had outstanding commitments and conditionally approved loan reservations to fund Homeownership Program loans totaling $ 43,475,805 and had outstanding commitments to fund Multifamily Program loans totaling $251,599,528. As of June 30, 2004, the Agency had proceeds available from bonds issued to fund $657,190,803 of Homeownership Program loans and $354,791,437 of Multifamily Program loans.

Note 11 – ARRANGEMENTS WITH THE MORTGAGE INSURANCE FUND

All operating and administrative expenses of the Agency are initially paid from the Fund including certain operating and administrative expenses in support of mortgage guarantee insurance programs which are reported in the Mortgage Insurance Fund. Quarterly the Fund charges the Mortgage Insurance Fund for these expenses.

The Agency Board of Directors approved Resolution 03-19 on March 20, 2003 authorizing the Agency to utilize the resources of the fund to support the mortgage guaranty insurance programs of the Agency in the following two ways: 1) the Executive Director of the Agency is authorized to create one or more supplementary reserve accounts within the Supplementary Bond Security Account of the Fund to indemnify the Mortgage Insurance Fund for losses incurred or to pay claims against the Mortgage Insurance Fund in connection with loans financed by the Agency, and 2) the Executive Director of the Agency may establish an inter-fund credit agreement by which the Mortgage Insurance Fund may borrow such sums from the Fund as may be required to maintain the claims paying rating of any credit rating service.

Subsequently, the Agency Executive Director established an inter-fund credit agreement in the amount of $100,000,000 in which the Mortgage Insurance Fund may borrow from the Fund as needed for the purpose of paying claims arising out of policies of mortgage guarantee insurance and costs and expenses related to the payment of such claims. Interest rate(s) and repayment terms are determined upon receipt of a request to draw on this credit facility. The Mortgage Insurance Fund had not requested a draw on this credit through June 30, 2004.

Note 12 – LITIGATION

Certain lawsuits and claims arising in the ordinary course of business have been filed or are pending against the Agency. Based upon information available to the Agency, its review of such lawsuits and claims and consultation with counsel, the Agency believes the liability relating to these actions, if any, would not have a material adverse effect on the Fund's combined financial statements.

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CALIFORNIA HOUSING FINANCE FUND
SUPPLEMENTAL COMBINING BALANCE SHEET
June 30, 2004
(Dollars in Thousands)

	Homeownership Programs	Multifamily Rental Housing Programs	Other Programs and Accounts	Combined Totals
ASSETS				
Current assets:				
Cash and cash equivalents	$ 30,444	$ 10,842	$ 48,450	$ 89,736
Investments	2,879,128	555,583	474,583	3,909,294
Current portion - program loans receivable, net of allowance	75,091	76,160	7,699	158,950
Interest receivable:				
Program loans	18,715	5,739	1,338	25,792
Investments	39,585	3,719	1,853	45,157
Accounts receivable	31,071	32	885	31,988
Due from (to) other funds	(19,392)	(10,944)	30,336	
Other assets	478	526	110	1,114
Total current assets	3,055,120	641,657	565,254	4,262,031
Noncurrent assets:				
Investments	31,761	34,491	876	67,128
Program loans receivable, net of allowance	3,714,295	1,238,174	348,449	5,300,918
Due from (to) other funds	(11,850)		11,850	
Deferred financing costs	26,766	8,252	133	35,151
Other assets	158	15,289	752	16,199
Total noncurrent assets	3,761,130	1,296,206	362,060	5,419,396
Total assets	$ 6,816,250	$ 1,937,863	$ 927,314	$ 9,681,427
LIABILITIES AND FUND EQUITY				
Current liabilities:				
Current portion - bonds payable, net	$ 658,054	$ 42,873		$ 700,927
Interest payable	95,448	20,328	$ 2,015	117,791
Due to other Government entities, net			301,784	301,784
Compensated absences			1,659	1,659
Deposits and other liabilities	4,729	266	186,633	191,628
Total current liabilities	758,231	63,467	492,091	1,313,789
Noncurrent liabilities:				
Bonds payable, net	5,596,627	1,575,453		7,172,080
Due to other Government entities	24,580	2,575		27,155
Deferred revenue	24,909	37	24,157	49,103
Total noncurrent liabilities	5,646,116	1,578,065	24,157	7,248,338
Total liabilities	6,404,347	1,641,532	516,248	8,562,127
Fund equity:				
Invested in capital assets			752	752
Restricted by indenture	411,903	296,331		708,234
Restricted by statute			410,314	410,314
Total fund equity	411,903	296,331	411,066	1,119,300
Total liabilities and fund equity	$ 6,816,250	$ 1,937,863	$ 927,314	$ 9,681,427

CALIFORNIA HOUSING FINANCE FUND
SUPPLEMENTAL COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND EQUITY
Fiscal Year Ended June 30, 2004
(Dollars in Thousands)

	Homeownership Programs	Multifamily Rental Housing Programs	Other Programs and Accounts	Combined Totals
OPERATING REVENUES				
Interest income:				
Program loans - net	$ 243,651	$ 96,699	$ 5,879	$ 346,229
Investments - net	93,692	12,470	10,675	116,837
Decrease in fair value of investments	(2,111)	(5,936)	(42)	(8,089)
Loan commitment fees	4,438	5	935	5,378
Other loan fees	2,276	256	8,651	11,183
Other revenues	121	1,725	76,096	77,942
Total operating revenues	342,067	105,219	102,194	549,480
OPERATING EXPENSES				
Interest	262,917	68,000	5,135	336,052
Amortization of bond discount and deferred losses on refundings of debt	1,326	550		1,876
Mortgage servicing expenses	15,278	9	118	15,405
Provision (reversal) for program loan losses	(695)	1,145	1,981	2,431
Operating expenses			25,870	25,870
Other expenses	22,724	4,268	85,941	112,933
Total operating expenses	301,550	73,972	119,045	494,567
Operating income (loss) before transfers	40,517	31,247	(16,851)	54,913
Transfers - Interfund			39,685	39,685
Transfers - Intrafund	(13,140)	(9,819)	22,959	
Increase in fund equity	27,377	21,428	45,793	94,598
Fund equity at beginning of year	384,526	274,903	365,273	1,024,702
Fund equity at end of Year	$ 411,903	$ 296,331	$ 411,066	$ 1,119,300

CALIFORNIA HOUSING FINANCE FUND
SUPPLEMENTAL COMBINING STATEMENT OF CASH FLOWS
Fiscal Year Ended June 30, 2004
(Dollars in Thousands)

	Homeownership Programs	Multifamily Rental Housing Programs	Other Programs and Accounts	Combined Totals
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	$ 249,366	$ 96,072	$ 6,629	$ 352,067
Payments to suppliers	(16,338)	(232)	(8,791)	(25,361)
Payments to employees			(16,652)	(16,652)
Other receipts (payments)	579,647	(7,552)	65,209	637,304
Net cash provided by operating activities	812,675	88,288	46,395	947,358
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Intrafund transfers	(13,140)	(9,819)	22,959	
Due to (from) other Government entities	(5)		46,726	46,721
Net cash provided by (used for) noncapital financing activities	(13,145)	(9,819)	69,685	46,721
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Proceeds from sales of bonds	1,736,750	311,585		2,048,335
Payment of bond principal	(143,865)	(43,911)		(187,776)
Early bond redemptions	(2,048,920)	(95,190)		(2,144,110)
Interest paid on debt	(279,998)	(68,835)	(5,365)	(354,198)
Interfund transfers			39,685	39,685
Additions to deferred costs	(6,402)	(2,273)		(8,675)
Net cash provided by (used for) capital and related financing activities	(742,435)	101,376	34,320	(606,739)
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from maturity and sale of investments	4,191,447	417,592	1,305,522	5,914,561
Purchase of investments	(4,351,369)	(609,172)	(1,444,141)	(6,404,682)
Interest on investments, net	85,821	12,004	10,868	108,693
Net cash used for investing activities	(74,101)	(179,576)	(127,751)	(381,428)
Net increase (decrease) in cash and cash equivalents	(17,006)	269	22,649	5,912
Cash and cash equivalents at beginning of year	47,450	10,573	25,801	83,824
Cash and cash equivalents at end of year	$ 30,444	$ 10,842	$ 48,450	$ 89,736
Reconciliation of operating income (loss) to net cash provided by operating activities:				
Operating income (loss)	$ 40,517	$ 31,247	$ (16,851)	$ 54,913
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Interest expense on debt	262,917	68,000	5,135	336,052
Interest on investments	(93,692)	(12,470)	(10,675)	(116,837)
Changes in fair value of investments	2,111	5,936	42	8,089
Accretion of capital appreciation bonds	18,131			18,131
Amortization of bond discount	345	305		650
Amortization of deferred losses on refundings of debt	982	244		1,226
Amortization of bond issuance costs	13,276	627	32	13,935
Amortization of deferred revenue	(4,438)	(5)	(935)	(5,378)
Depreciation			202	202
Provision (reversal) for program loan losses	(695)	1,453	1,673	2,431
Provision for yield reduction payments	3,326			3,326
Provision for nonmortgage investment excess	15	481		496
Changes in certain assets and liabilities:				
Purchase of program loans	(1,294,998)	(125,479)	(82,988)	(1,503,465)
Collection of principal from program loans, net	1,828,876	108,383	114,398	2,051,657
Interest receivable	5,714	(627)	750	5,837
Accounts receivable	28,677	(25)	1,111	29,763
Due from (to) other funds	4,268	10,275	(14,543)	
Due from other Government entities			105	105
Other assets	(196)	(15)	(467)	(678)
Compensated absences			118	118
Deposits and other liabilities	987	(42)	46,105	47,050
Deferred revenue	(3,448)		3,183	(265)
Net cash provided by operating activities	$ 812,675	$ 88,288	$ 46,395	$ 947,358

CALIFORNIA HOUSING FINANCE FUND
SUPPLEMENTAL COMBINING BALANCE SHEET -
HOMEOWNERSHIP PROGRAMS
June 30, 2004
(Dollars in Thousands)

	Home Mortgage Revenue Bonds	Single Family Mortgage Bonds 1995 Issue A	Single Family Mortgage Bonds 1995 Issue B	Single Family Mortgage Bonds II	Draw Down Bonds	Total Homeownership Programs
ASSETS						
Current assets:						
Cash and cash equivalents	$ 26,797	$ 148	$ 111	$ 3,295	$ 93	$ 30,444
Investments	2,690,299	5,836	5,167	77,440	100,386	2,879,128
Current portion - program loans receivable, net of allowance	71,186	303	304	3,298		75,091
Interest receivable:						
Program loans	17,625	98	71	921		18,715
Investments	37,671	118	89	1,347	360	39,585
Accounts receivable	28,238	203	189	2,441		31,071
Due to other funds	(19,120)	(10)	(18)	(112)	(132)	(19,392)
Other assets	474			4		478
Total current assets	2,853,170	6,696	5,913	88,634	100,707	3,055,120
Noncurrent assets:						
Investments	28,573			3,188		31,761
Program loans receivable, net of allowance	3,524,853	12,247	11,455	165,740		3,714,295
Due to other funds	(11,850)					(11,850)
Deferred financing costs	24,917	104	110	1,635		26,766
Other assets	158					158
Total noncurrent assets	3,566,651	12,351	11,565	170,563	-	3,761,130
Total assets	$ 6,419,821	$ 19,047	$ 17,478	$ 259,197	$ 100,707	$ 6,816,250
LIABILITIES AND FUND EQUITY						
Current liabilities:						
Current portion - bonds payable, net	$ 548,985	$ 365	$ 705	$ 7,654	$ 100,345	$ 658,054
Interest payable	89,194	445	404	5,135	270	95,448
Due to other Government entities, net						
Compensated absences						
Deposits and other liabilities	4,650	6	8	65		4,729
Total current liabilities	642,829	816	1,117	12,854	100,615	758,231
Noncurrent liabilities:						
Bonds payable, net	5,346,127	15,630	15,090	219,780		5,596,627
Due to other Government entities, net	21,272			3,216	92	24,580
Deferred revenue	23,471			1,438		24,909
Total noncurrent liabilities	5,390,870	15,630	15,090	224,434	92	5,646,116
Total liabilities	6,033,699	16,446	16,207	237,288	100,707	6,404,347
Fund equity:						
Invested in capital assets						
Restricted by indenture	386,122	2,601	1,271	21,909		411,903
Restricted by statute						
Total fund equity	386,122	2,601	1,271	21,909	-	411,903
Total liabilities and fund equity	$ 6,419,821	$ 19,047	$ 17,478	$ 259,197	$ 100,707	$ 6,816,250

CALIFORNIA HOUSING FINANCE FUND
SUPPLEMENTAL COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND EQUITY - HOMEOWNERSHIP PROGRAMS
Fiscal Year Ended June 30, 2004
(Dollars in Thousands)

	Home Mortgage Revenue Bonds	Single Family Mortgage Bonds 1995 Issue A	Single Family Mortgage Bonds 1995 Issue B	Single Family Mortgage Bonds II	Draw Down Bonds	Total Homeownership Programs
OPERATING REVENUES						
Interest income:						
Program loans - net	$ 226,930	$ 1,332	$ 1,117	$ 14,272		$ 243,651
Investments - net	85,932	638	420	4,715	$ 1,987	93,692
Decrease in fair value of investments	(1,943)			(168)		(2,111)
Loan commitment fees	4,173			265		4,438
Other loan fees	2,276					2,276
Other revenues	105	7		9		121
Total operating revenues	317,473	1,977	1,537	19,093	1,987	342,067
OPERATING EXPENSES						
Interest	242,161	1,559	1,317	15,893	1,987	262,917
Amortization of bond discount and deferred losses on refundings of debt	1,273			53		1,326
Mortgage servicing expenses	14,340	62	58	818		15,278
Reversal for program loan losses	(521)	(12)	(11)	(151)		(695)
Operating expenses						
Other expenses	20,750	241	197	1,347	189	22,724
Total operating expenses	278,003	1,850	1,561	17,960	2,176	301,550
Operating income (loss) before transfers	39,470	127	(24)	1,133	(189)	40,517
Transfers - Interfund						
Transfers - Intrafund	(13,204)			(125)	189	(13,140)
Increase (decrease) in fund equity	26,266	127	(24)	1,008	-	27,377
Fund equity at beginning of year	359,856	2,474	1,295	20,901		384,526
Fund equity at end of Year	$ 386,122	$ 2,601	$ 1,271	$ 21,909	$ -	$ 411,903

CALIFORNIA HOUSING FINANCE FUND
SUPPLEMENTAL COMBINING STATEMENT OF CASH FLOWS - HOMEOWNERSHIP PROGRAMS
Fiscal Year Ended June 30, 2004
(Dollars in Thousands)

	Home Mortgage Revenue Bonds	Single Family Mortgage Bonds 1995 Issue A	Single Family Mortgage Bonds 1995 Issue B	Single Family Mortgage Bonds II	Draw Down Bonds	Total Homeownership Programs
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from customers	$ 231,756	$ 1,400	$ 1,185	$ 15,025		$ 249,366
Payments to suppliers	(15,291)	(69)	(66)	(912)		(16,338)
Payments to employees						
Internal activity - payments to other funds						
Other receipts (payments)	431,315	12,012	9,900	126,620	$ (200)	579,647
Net cash provided by (used for) operating activities	647,780	13,343	11,019	140,733	(200)	812,675
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Intrafund transfers	(13,204)			(125)	189	(13,140)
Due to other Government entities	(5)					(5)
Net cash provided by (used for) noncapital financing activities	(13,209)	-	-	(125)	189	(13,145)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Proceeds from sales of bonds	1,649,250				87,500	1,736,750
Payment of bond principal	(132,660)	(420)	(335)	(10,450)		(143,865)
Early bond redemptions	(1,396,284)	(23,540)	(17,075)	(174,476)	(437,545)	(2,048,920)
Interest paid on debt	(254,422)	(2,217)	(1,764)	(19,533)	(2,062)	(279,998)
Interfund transfers						
Additions to deferred costs	(6,212)				(190)	(6,402)
Net cash used for capital and related financing activities	(140,328)	(26,177)	(19,174)	(204,459)	(352,297)	(742,435)
CASH FLOWS FROM INVESTING ACTIVITIES						
Proceeds from maturity and sale of investments	3,506,565	26,222	18,617	200,644	439,399	4,191,447
Purchase of investments	(4,091,600)	(14,594)	(10,923)	(144,857)	(89,395)	(4,351,369)
Interest on investments, net	76,864	869	564	5,540	1,984	85,821
Net cash provided by (used for) investing activities	(508,171)	12,497	8,258	61,327	351,988	(74,101)
Net increase (decrease) in cash and cash equivalents	(13,928)	(337)	103	(2,524)	(320)	(17,006)
Cash and cash equivalents at beginning of year	40,725	485	8	5,819	413	47,450
Cash and cash equivalents at end of year	$ 26,797	$ 148	$ 111	$ 3,295	$ 93	$ 30,444
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:						
Operating income (loss)	$ 39,470	$ 127	$ (24)	$ 1,133	$ (189)	$ 40,517
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:						
Interest expense on debt	242,161	1,559	1,317	15,893	1,987	262,917
Interest on investments	(85,932)	(638)	(420)	(4,715)	(1,987)	(93,692)
Changes in fair value of investments	1,943			168		2,111
Accretion of capital appreciation bonds	17,634			497		18,131
Amortization of bond discount	337			8		345
Amortization of deferred losses on refundings of debt	937			45		982
Amortization of bond issuance costs	10,902	184	145	1,855	190	13,276
Amortization of deferred revenue	(4,173)			(265)		(4,438)
Depreciation						
Reversal for program loan losses	(521)	(12)	(11)	(151)		(695)
Provision for yield reduction payments	3,326					3,326
Provision for nonmortgage investment excess	(107)	(71)		205	(12)	15
Changes in certain assets and liabilities:						
Purchase of program loans	(1,294,986)			(12)		(1,294,998)
Collection of principal from program loans, net	1,683,578	11,993	9,527	123,778		1,828,876
Interest receivable	4,825	68	68	753		5,714
Accounts receivable	25,284	147	444	2,802		28,677
Due from (to) other funds	4,770	(11)	(21)	(281)	(189)	4,268
Due to other Government entities						
Other assets	(198)			2		(196)
Compensated absences						
Deposits and other liabilities	1,046	(3)	(6)	(50)		987
Deferred revenue	(2,516)			(932)		(3,448)
Net cash provided by (used for) operating activities	$ 647,780	$ 13,343	$ 11,019	$ 140,733	$ (200)	$ 812,675

CALIFORNIA HOUSING FINANCE FUND
SUPPLEMENTAL COMBINING BALANCE SHEET -
MULTIFAMILY RENTAL HOUSING PROGRAMS
June 30, 2004
(Dollars in Thousands)

	Multi-Unit Rental Housing Revenue Bonds I	Multi-Unit Rental Housing Revenue Bonds II	Multifamily Housing Revenue Refunding Bonds	Multifamily Loan Purchase Bonds	Multifamily Housing Revenue Bonds	Housing Revenue Bonds (Insured)
ASSETS						
Current assets:						
Cash and cash equivalents	$ 3	$ 380	$ 29	$ 3,945	$ 62	$ 762
Investments	21,772	20,778			226	18,199
Current portion - program loans receivable, net of allowance	4,334	5,075		23,333		1,247
Interest receivable:						
Program loans	94	138				326
Investments	94	397		1	41	358
Accounts receivable					4	
Due from (to) other funds	(655)			(4)		972
Other assets	29					10
Total current assets	25,671	26,768	29	27,275	333	21,874
Noncurrent assets:						
Investments	1,206	1,001			6,829	
Program loans receivable, net of allowance	128,765	101,694		133,988		56,436
Due from (to) other funds						
Deferred financing costs	51	146				465
Other assets						11,540
Total noncurrent assets	130,022	102,841	-	133,988	6,829	68,441
Total assets	$ 155,693	$ 129,609	$ 29	$ 161,263	$ 7,162	$ 90,315
LIABILITIES AND FUND EQUITY						
Current liabilities:						
Current portion - bonds payable, net	$ 285	$ 3,365			$ 140	$ 1,245
Interest payable	641	1,011		$ 1,038	41	1,455
Due to other Government entities, net						
Compensated absences						
Deposits and other liabilities	4	4	$ 29	2	2	6
Total current liabilities	930	4,380	29	1,040	183	2,706
Noncurrent liabilities:						
Bonds payable, net	21,608	31,848		160,223	6,820	52,500
Due to other Government entities, net						786
Deferred revenue						
Total noncurrent liabilities	21,608	31,848	-	160,223	6,820	53,286
Total liabilities	22,538	36,228	29	161,263	7,003	55,992
Fund equity:						
Invested in capital assets						
Restricted by indenture	133,155	93,381			159	34,323
Restricted by statute						
Total fund equity	133,155	93,381	-	-	159	34,323
Total liabilities and fund equity	$ 155,693	$ 129,609	$ 29	$ 161,263	$ 7,162	$ 90,315

Multifamily Housing Revenue Bonds II	Multifamily Housing Revenue Bonds III	Multifamily Draw Down Bonds	Total Multifamily Rental Housing Programs
$ 66	$ 5,589	$ 6	$ 10,842
11,011	462,042	21,555	555,583
1,281	40,890		76,160
659	4,522		5,739
299	2,509	20	3,719
	28		32
	(11,251)	(6)	(10,944)
174	313		526
13,490	504,642	21,575	641,657
8,601	16,854		34,491
102,917	714,374		1,238,174
173	7,417		8,252
	3,749		15,289
111,691	742,394	-	1,296,206
$ 125,181	$ 1,247,036	$ 21,575	$ 1,937,863
$ 2,279	$ 14,004	$ 21,555	$ 42,873
3,150	12,972	20	20,328
5	214		266
5,434	27,190	21,575	63,467
114,437	1,188,017		1,575,453
	1,789		2,575
	37		37
114,437	1,189,843	-	1,578,065
119,871	1,217,033	21,575	1,641,532
5,310	30,003		296,331
5,310	30,003	-	296,331
$ 125,181	$ 1,247,036	$ 21,575	$ 1,937,863

CALIFORNIA HOUSING FINANCE FUND
SUPPLEMENTAL COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND EQUITY - MULTIFAMILY RENTAL HOUSING PROGRAMS
Fiscal Year Ended June 30, 2004
(Dollars in Thousands)

	Multi-Unit Rental Housing Revenue Bonds I	Multi-Unit Rental Housing Revenue Bonds II	Multifamily Housing Revenue Refunding Bonds	Multifamily Loan Purchase Bonds	Multifamily Housing Revenue Bonds	Housing Revenue Bonds (Insured)
OPERATING REVENUES						
Interest income:						
Program loans - net	$ 14,053	$ 10,266	$ 19	$ 12,758		$ 4,854
Investments - net	878	891		8	$ 495	798
Decrease in fair value of investments	(667)	(115)			(1,557)	
Loan commitment fees						
Other loan fees	180					
Other revenues						1,366
Total operating revenues	14,444	11,042	19	12,766	(1,062)	7,018
OPERATING EXPENSES						
Interest	3,046	2,800	19	12,697	494	3,502
Amortization of bond discount and deferred losses on refundings of debt	246	6				
Mortgage servicing expenses						
Provision (reversal) for program loan losses	(1,079)	(44)				(116)
Operating expenses						
Other expenses	128	247		69	6	222
Total operating expenses	2,341	3,009	19	12,766	500	3,608
Operating income (loss) before transfers	12,103	8,033	-	-	(1,562)	3,410
Transfers - Interfund						
Transfers - Intrafund	(8,309)	12,260				(5,228)
Increase (decrease) in fund equity	3,794	20,293	-	-	(1,562)	(1,818)
Fund equity at beginning of year	129,361	73,088			1,721	36,141
Fund equity at end of Year	$ 133,155	$ 93,381	$ -	$ -	$ 159	$ 34,323

Multifamily Housing Revenue Bonds II	Multifamily Housing Revenue Bonds III	Multifamily Draw Down Bonds	Total Multifamily Rental Housing Programs
$ 8,082	$ 46,667		$ 96,699
1,203	8,123	$ 74	12,470
(2,242)	(1,355)		(5,936)
	5		5
	76		256
	359		1,725
7,043	53,875	74	105,219
7,597	37,771	74	68,000
54	244		550
	9		9
614	1,770		1,145
398	3,172	26	4,268
8,663	42,966	100	73,972
(1,620)	10,909	(26)	31,247
	(8,568)	26	(9,819)
(1,620)	2,341	-	21,428
6,930	27,662		274,903
$ 5,310	$ 30,003	$ -	$ 296,331

CALIFORNIA HOUSING FINANCE FUND
SUPPLEMENTAL COMBINING STATEMENT OF CASH FLOWS -
MULTIFAMILY RENTAL HOUSING PROGRAMS
Fiscal Year Ended June 30, 2004
(Dollars in Thousands)

	Multi-Unit Rental Housing Revenue Bonds I	Multi-Unit Rental Housing Revenue Bonds II	Multifamily Housing Revenue Refunding Bonds	Multifamily Loan Purchase Bonds	Multifamily Housing Revenue Bonds	Housing Revenue Bonds (Insured)
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from customers	$ 14,242	$ 10,131	$ 23	$ 12,758		$ 4,888
Payments to suppliers	(37)	(11)		(20)	$ (4)	(22)
Payments to employees						
Internal activity - payments to other funds						
Other receipts (payments)	31,330	7,957	9,409	23,284		5,404
Net cash provided by (used for) operating activities	45,535	18,077	9,432	36,022	(4)	10,270
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Intrafund transfers	(8,309)	12,260				(5,228)
Due to other Government entities						
Net cash provided by (used for) noncapital financing activities	(8,309)	12,260	-	-	-	(5,228)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Proceeds from sales of bonds						
Payment of bond principal	(770)	(5,170)	(100)	(24,051)	(130)	(1,160)
Early bond redemptions	(52,085)	(18,945)	(9,530)			
Interest paid on debt	(4,443)	(3,556)	(23)	(12,868)	(494)	(3,528)
Interfund transfers						
(Additions) deductions to deferred costs	154					
Net cash provided by (used for) capital and related financing activities	(57,144)	(27,671)	(9,653)	(36,919)	(624)	(4,688)
CASH FLOWS FROM INVESTING ACTIVITIES						
Proceeds from maturity and sale of investments	168,186	18,717			646	8,887
Purchase of investments	(149,304)	(21,901)			(466)	(10,099)
Interest on investments, net	1,036	769		8	500	858
Net cash provided by (used for) investing activities	19,918	(2,415)	-	8	680	(354)
Net increase (decrease) in cash and cash equivalents	-	251	(221)	(889)	52	-
Cash and cash equivalents at beginning of year	3	129	250	4,834	10	762
Cash and cash equivalents at end of year	$ 3	$ 380	$ 29	$ 3,945	$ 62	$ 762
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:						
Operating income (loss)	$ 12,103	$ 8,033			$ (1,562)	$ 3,410
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:						
Interest expense on debt	3,046	2,800	$ 19	$ 12,697	494	3,502
Interest on investments	(878)	(891)		(8)	(495)	(798)
Changes in fair value of investments	667	115			1,557	
Accretion of capital appreciation bonds						
Amortization of bond discount	245	6				
Amortization of deferred losses on refundings of debt						
Amortization of bond issuance costs	26	106				37
Amortization of deferred revenue						
Depreciation						
Provision (reversal) for program loan losses	(1,457)	(44)				(116)
Provision for yield reduction payments						
Provision for nonmortgage investment excess						118
Changes in certain assets and liabilities:						
Purchase of program loans	15,508					(18)
Collection of principal from program loans, net	16,767	8,086	9,526	23,333		3,714
Interest receivable	189	(135)	5			33
Accounts receivable						3
Due from (to) other funds	(693)					376
Due to other Government entities						
Other assets	13					9
Compensated absences						
Deposits and other liabilities	(1)	1	(118)		2	
Deferred revenue						
Net cash provided by (used for) operating activities	$ 45,535	$ 18,077	$9,432	$ 36,022	$ (4)	$ 10,270

Multifamily Housing Revenue Bonds II	Multifamily Housing Revenue Bonds III	Multifamily Draw Down Bonds	Total Multifamily Rental Housing Programs
$ 8,108	$ 45,922		$ 96,072
(21)	(117)		(232)
921	(85,863)	$ 6	(7,552)
9,008	(40,058)	6	88,288
	(8,568)	26	(9,819)
-	(8,568)	26	(9,819)
	290,030	21,555	311,585
(2,165)	(10,365)		(43,911)
	(14,630)		(95,190)
(7,645)	(36,224)	(54)	(68,835)
	(2,401)	(26)	(2,273)
(9,810)	226,410	21,475	101,376
9,588	211,568		417,592
(9,974)	(395,873)	(21,555)	(609,172)
1,191	7,588	54	12,004
805	(176,717)	(21,501)	(179,576)
3	1,067	6	269
63	4,522		10,573
$ 66	$ 5,589	$ 6	$ 10,842
$ (1,620)	$ 10,909	$ (26)	$ 31,247
7,597	37,771	74	68,000
(1,203)	(8,123)	(74)	(12,470)
2,242	1,355		5,936
54			305
	244		244
11	421	26	627
	(5)		(5)
614	2,456		1,453
	363		481
	(140,969)		(125,479)
1,284	45,673		108,383
27	(746)		(627)
	(28)		(25)
	10,586	6	10,275
2	(39)		(15)
	74		(42)
$ 9,008	$ (40,058)	$ 6	$ 88,288

CALIFORNIA HOUSING FINANCE FUND
SUPPLEMENTAL COMBINING BALANCE SHEET -
OTHER PROGRAMS AND ACCOUNTS
June 30, 2004
(Dollars in Thousands)

	Housing Assistance Trust	Contract Administration Programs	Revolving Credit Agreement	Supplementary Bonds Security Account	Emergency Reserve Account	Loan Servicing
ASSETS						
Current assets:						
Cash and cash equivalents	$ 1,139	$ 943	$ 794		$ 500	$ 21,586
Investments	74,731	38,140	585	$ 37,703	52,328	119,806
Current portion - program loans receivable, net of allowance	4,604		460			
Interest receivable:						
Program loans	952	(11)	101			
Investments	247	140	2	137	187	432
Accounts receivable	30				7	727
Due from (to) other funds	178	(1,265)		7,493	6,347	(6,042)
Other assets	1					
Total current assets	81,882	37,947	1,942	45,333	59,369	136,509
Noncurrent assets:						
Investments	876					
Program loans receivable, net of allowance	104,187	40,446	40,084			
Due from other funds				11,850		
Deferred financing costs						
Other assets						
Total noncurrent assets	105,063	40,446	40,084	11,850	-	-
Total assets	$ 186,945	$ 78,393	$ 42,026	$ 57,183	$ 59,369	$ 136,509
LIABILITIES AND FUND EQUITY						
Current liabilities:						
Current portion - bonds payable, net						
Interest payable			$ 25			
Due to (from) other Government entities, net	$ 319	$ 1,686				
Compensated absences						
Deposits and other liabilities	1	5,211	42,244	$ 130		$ 135,263
Total current liabilities	320	6,897	42,269	130	-	135,263
Noncurrent liabilities:						
Bonds payable, net						
Due from other Government entities						
Deferred revenue						
Total noncurrent liabilities	-	-	-	-	-	-
Total liabilities	320	6,897	42,269	130	-	135,263
Fund Equity:						
Invested in capital assets						
Restricted by indenture						
Restricted by statute	186,625	71,496	(243)	57,053	59,369	1,246
Total fund equity	186,625	71,496	(243)	57,053	59,369	1,246
Total liabilities and fund equity	$ 186,945	$ 78,393	$ 42,026	$ 57,183	$ 59,369	$ 136,509

Loan Warehousing	Operating Account	Total Other Programs and Accounts
$ 23,308	$ 180	$ 48,450
117,732	33,558	474,583
2,635		7,699
296		1,338
573	135	1,853
95	26	885
(5,732)	29,357	30,336
	109	110
138,907	63,365	565,254
		876
163,732		348,449
		11,850
	133	133
	752	752
163,732	885	362,060
$ 302,639	$ 64,250	$ 927,314
$ 1,990		$ 2,015
300,000	$ (221)	301,784
	1,659	1,659
99	3,685	186,633
302,089	5,123	492,091
334	23,823	24,157
334	23,823	24,157
302,423	28,946	516,248
	752	752
216	34,552	410,314
216	35,304	411,066
$ 302,639	$ 64,250	$ 927,314

CALIFORNIA HOUSING FINANCE FUND
SUPPLEMENTAL COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND EQUITY - OTHER PROGRAMS AND ACCOUNTS
Fiscal Year Ended June 30, 2004
(Dollars in Thousands)

	Housing Assistance Trust	Contract Administration Programs	Revolving Credit Agreement	Supplementary Bonds Security Account	Emergency Reserve Account	Loan Servicing
OPERATING REVENUES						
Interest income:						
Program loans - net	$ 2,714	$ 735	$ 880			
Investments - net	961	502	5	$ 865	$ 1,323	$ 43
Decrease in fair value of investments	(42)					
Loan commitment fees						
Other loan fees		118				2,439
Other revenues	2,731					73,422
Total operating revenues	6,364	1,355	885	865	1,323	75,904
OPERATING EXPENSES						
Interest			322			
Amortization of bond discount and deferred losses on refundings of debt						
Mortgage servicing expenses	15					
Provision (reversal) for program loan losses	1,338	1,283	851			
Operating expenses						
Other expenses	397	5,530	147	130		77,368
Total operating expenses	1,750	6,813	1,320	130	-	77,368
Operating income (loss) before transfers	4,614	(5,458)	(435)	735	1,323	(1,464)
Transfers - Interfund		39,685				
Transfers - Intrafund	(150)	(371)	307		(2,914)	1,520
Increase (decrease) in fund equity	4,464	33,856	(128)	735	(1,591)	56
Fund equity at beginning of year	182,161	37,640	(115)	56,318	60,960	1,190
Fund equity (deficit) at end of Year	$ 186,625	$ 71,496	$ (243)	$ 57,053	$ 59,369	$ 1,246

Loan Warehousing	Operating Account	Total Other Programs and Accounts
$ 1,550		$ 5,879
6,438	$ 538	10,675
		(42)
	935	935
7	6,087	8,651
	(57)	76,096
7,995	7,503	102,194
4,813		5,135
103		118
(1,491)		1,981
	25,870	25,870
1,454	915	85,941
4,879	26,785	119,045
3,116	(19,282)	(16,851)
		39,685
168	24,399	22,959
3,284	5,117	45,793
(3,068)	30,187	365,273
$ 216	$ 35,304	$ 411,066

CALIFORNIA HOUSING FINANCE FUND
SUPPLEMENTAL COMBINING STATEMENT OF CASH FLOWS - OTHER PROGRAMS AND ACCOUNTS
Fiscal Year Ended June 30, 2004
(Dollars in Thousands)

	Housing Assistance Trust	Contract Administration Programs	Revolving Credit Agreement	Supplementary Bonds Security Account	Emergency Reserve Account	Loan Servicing
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from customers	$ 2,989	$ 746	$ 832			
Payments to suppliers	(15)					
Payments to employees						
Internal activity - payments to other funds						
Other receipts (payments)	30,495	(24,946)	294	$ (1,250)	$ 13,546	$ 14,597
Net cash provided by (used for) operating activities	33,469	(24,200)	1,126	(1,250)	13,546	14,597
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Intrafund transfers	(150)	(371)	307		(2,914)	1,520
Due to (from) other Government entities	2,523	(5,099)			99	(430)
Net cash provided by (used for) noncapital financing activities	2,373	(5,470)	307	-	(2,815)	1,090
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Proceeds from sales of bonds						
Payment of bond principal						
Early bond redemptions						
Interest paid on debt			(311)			
Interfund transfers		39,685				
(Additions) deductions to deferred costs						
Net cash provided by (used for) capital and related financing activities	-	39,685	(311)	-	-	-
CASH FLOWS FROM INVESTING ACTIVITIES						
Proceeds from maturity and sale of investments	43,527	40,460	604	1,311	18,392	42,072
Purchase of investments	(82,128)	(51,364)	(937)	(1,125)	(30,440)	(54,599)
Interest on investments, net	878	476	4	1,063	1,316	84
Net cash provided by (used for) investing activities	(37,723)	(10,428)	(329)	1,249	(10,732)	(12,443)
Net increase (decrease) in cash and cash equivalents	(1,881)	(413)	793	(1)	(1)	3,244
Cash and cash equivalents at beginning of year	3,020	1,356	1	1	501	18,342
Cash and cash equivalents at end of year	$ 1,139	$ 943	$ 794	$ -	$ 500	$ 21,586
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:						
Operating income (loss)	$ 4,614	$ (5,458)	$ (435)	$ 735	$ 1,323	$ (1,464)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:						
Interest expense on debt			322			
Interest on investments	(961)	(502)	(5)	(865)	(1,323)	(43)
Changes in fair value of investments	42					
Accretion of capital appreciation bonds						
Amortization of bond discount						
Amortization of deferred losses on refundings of debt						
Amortization of bond issuance costs						
Amortization of deferred revenue						
Depreciation						
Provision (reversal) for program loan losses	1,338	1,403	543			
Provision for yield reduction payments						
Provision for nonmortgage investment excess						
Changes in certain assets and liabilities:						
Purchase of program loans	(31,528)	(30,623)	(41,387)			
Collection of principal from program loans, net	40,237	9,599	11,717			
Interest receivable	275	11	(48)			
Accounts receivable	264				4	738
Due from (to) other funds	19,073	1,563		(1,250)	13,542	(21)
Due to other Government entities	105					
Other assets	11					
Compensated absences						
Deposits and other liabilities	(1)	(193)	30,419	130		15,387
Deferred revenue						
Net cash provided by (used for) operating activities	$ 33,469	$ (24,200)	$ 1,126	$ (1,250)	$ 13,546	$ 14,597

Loan Warehousing	Operating Account	Total Other Programs and Accounts
$ 2,062		$ 6,629
(141)	$ (8,635)	(8,791)
	(16,652)	(16,652)
28,395	4,078	65,209
30,316	(21,209)	46,395
168	24,399	22,959
49,999	(366)	46,726
50,167	24,033	69,685
(5,054)		(5,365)
		39,685
(5,054)	-	34,320
1,102,292	56,864	1,305,522
(1,163,206)	(60,342)	(1,444,141)
6,499	548	10,868
(54,415)	(2,930)	(127,751)
21,014	(106)	22,649
2,294	286	25,801
$ 23,308	$ 180	$ 48,450
$ 3,116	$ (19,282)	$ (16,851)
4,813		5,135
(6,438)	(538)	(10,675)
		42
	32	32
	(935)	(935)
	202	202
(1,611)		1,673
20,550		(82,988)
52,845		114,398
512		750
129	(24)	1,111
(43,234)	(4,216)	(14,543)
		105
	(478)	(467)
	118	118
(485)	848	46,105
119	3,064	3,183
$ 30,316	$ (21,209)	$ 46,395

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
California Housing Finance Agency
Sacramento, California

We have audited the accompanying balance sheets of the California Housing Loan Insurance Fund (Fund), which is administered by the California Housing Finance Agency (Agency), a component unit of the State of California, as of December 31, 2003 and 2002, and the related statements of revenues, expenses and changes in fund equity, and of cash flows for the year then ended. These financial statements are the responsibility of the management of the Agency. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the financial position of the Fund as of December 31, 2003 and 2002, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis is not a required part of the financial statements, but is supplementary information required by the Governmental Accounting Standards Board. This supplementary information is the responsibility of the Agency's management. We have applied certain limited procedures, which consisted primarily of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit such information and we do not express an opinion on it.

Deloitte & Touche LLP

April 23, 2004

CALIFORNIA HOUSING LOAN INSURANCE FUND
Management Discussion and Analysis
of Financial Position and Results of Operations
As of and for the fiscal years ended December 2003 and 2002

Introduction – The California Housing Finance Agency

The California Housing Finance Agency ("Agency") was created in 1975 by an act of the California Legislature and commenced operations in 1976. The Agency is a component unit of the State of California ("State") and is included in the State's Comprehensive Annual Financial Report. The Agency is authorized to administer the activities of the California Housing Loan Insurance Fund ("Fund"), the California Housing Finance Fund ("CHFF") and two State general obligation bond funds. The following Management Discussion and Analysis applies only to the activities of the California Housing Loan Insurance Fund and should be read in conjunction with the Fund's financial statements and the notes to the financial statements. The Agency is entirely self-funded and does not draw upon the general taxing authority of the State.

The Agency is authorized to use the Fund's assets as at-risk capital in support of mortgage insurance programs which finance the acquisition, new construction or rehabilitation of residential structures in California. The Fund insures loans made by the Agency; loans made by lenders for securitization by the Federal National Mortgage Association (FNMA) and Federal Home Loan Mortgage Corporation (FHLMC); and loans made by localities, non-profit agencies and the California State Teachers' Retirement System. In conducting business the Agency is authorized to reinsure any risk undertaken by the Fund.

While the Fund is subject to the same statutory requirements as private mortgage insurance companies in respect to the maintenance of policyholders' surpluses, the Fund is exempt from regulatory control by the State Department of Insurance. The claims-paying ability of the Fund has been assigned a rating of A+ by Standard & Poor's.

Underwriting, acquisition and issuance expenses are charged directly to the Fund as well as loss and loss adjustment expenses. Certain administrative and operating expenses, including office space, business services and supplies, legal services, accounting services, information technology support and human resource support services, are provided by the Agency and indirectly charged to the Fund.

Financial Highlights 2003 – 2002

- Insurance in force has decreased by $525 million, or 38%, to $866 million as of December 31, 2003. This large decrease in insured loans is primarily due to the number of policy cancellations from the prepayment of the underlying loans as borrowers took advantage of historic low mortgage rates during the year to refinance their homes.

- New insurance written was $341 million during fiscal year 2003 compared to $639 million during fiscal year 2002. The $298 million decrease is primarily a result of the suspension by the State Teachers' Retirement System of their two mortgage programs which previously accounted for approximately 40% of the volume. In addition the FNMA and FHLMC programs for a lender to meet agency guidelines were restructured which reduced the volume.

- Continuing the trend of fiscal years 2002 and 2001 and largely due to the rapid price appreciation of homes in California, insurance claims activity remained at very low levels. Insurance claim payments were $22,000 and $164,000 in fiscal year 2003 and 2002, respectively.

- Effective March 1, 2003 management entered into a reinsurance treaty and administrative services agreement with General Electric Mortgage Insurance Corporation (GEMICO). This insurance treaty cedes to GEMICO a 75% quota share of the insurance risk and 64.5% of the premium collected for most loans insured by the Fund.

- Although operating income decreased $5.3 million or 58% to $3.9 million during fiscal year 2003 compared to $9.2 million during fiscal year 2002, the Fund remains financially strong and has fund equity of $47 million. Most of the reduction in operating income is a result of the decrease of earned premiums due to insurance cancellations from prepayments and the decrease in new insurance written. The Fund is actively soliciting new partners and developing new programs.

- During 2003, the Agency's management decided to transfer all loans receivable within the Fund to CHFF and as of November 1, 2003, CHFF purchased the loans receivable based on the then unpaid principal balance of the loans plus accrued interest.

Condensed Financial Information:

Balance Sheet

The following table presents condensed balance sheets for the Fund as of December 31, 2003 and 2002 and the change from the prior year (dollars in thousands):

Condensed Balance Sheet

	2003	2002	Change
Assets			
Cash and investments	$48,648	$36,666	$11,982
Deposit with reinsurer		8,482	(8,482)
Program loans receivable – net		4,828	(4,828)
Other Assets	1,913	3,370	(1,457)
Total assets	$50,561	$53,346	$(2,785)
Liabilities			
Unpaid losses and loss adjustment expenses	$810	$1,641	$(831)
Unearned premiums	1,306	1,936	(630)
Accounts payable and other liabilities	1,408	6,636	(5,228)
Total liabilities	3,524	10,213	(6,689)
Equity			
Invested in capital assets	13	12	1
Restricted by statute	47,024	43,121	3,903
Total fund equity	47,037	43,133	3,904
Total liabilities and fund equity	$50,561	$53,346	$(2,785)

Assets

Total assets of the Fund were $50.6 million as of December 31, 2003, a decrease of $2.8 million or 5% from December 31, 2002. Of the Fund's assets, more than 96% are represented by cash and investments. The Fund does not have a significant investment in capital assets.

Cash and investments were $48.6 million as of December 31, 2003, an increase of $12 million from December 31, 2002. The increase is primarily related to the return of the deposit from Hannover Ruckversicherungs-Aktiengesellschaft of $8.5 million in January 2003 as the result of the Agency's termination of that reinsurance agreement effective December 31, 2002. Also contributing to the increase was the positive cash flow from mortgage insurance operations. The Agency invests the Fund's cash in the State's Surplus Money Investment Fund ("SMIF"). SMIF provides the Fund a variable rate of return and complete liquidity. Cash invested in SMIF is deposited within the State's Centralized Treasury System and managed by the State Treasurer.

As of November 1, 2003 all remaining outstanding loans receivable were purchased by the CHFF based on the then unpaid principal balance of the loans, which in conjunction with the increased prepayment activity resulted in a decrease in loans receivable of $4.8 million.

Other assets were $1.9 million as of December 31, 2003, a decrease of $1.5 million from December 31, 2002. The decrease is primarily due to two factors: (1) at December 31, 2002 there was an accounts receivable of $222,000 for accrued interest receivable on loans receivable, whereas, there was none at December 31, 2003 and (2) the amount due from servicers at December 31, 2002 of $1.5 million decreased to $562,000 at December 31, 2003, primarily as a result of a greater percentage of premiums being collected monthly as opposed to annually and increased efficiencies in the administration of the portfolio.

Liabilities

The Fund's liabilities were $3.5 million as of December 31, 2003, a decrease of $6.7 million or 66% from December 31, 2002.

Unpaid losses and loss adjustment expenses were $810,000 as of December 31, 2003, a decrease of $831,000 from December 31, 2002. The decrease in the loss reserve is the result of the Agency entering into a reinsurance contract with GEMICO under which the level of reinsurance has been increased over the prior contract resulting in a reduction in required reserves. GEMICO assumes 75% of the risk on the loans under reinsurance which represent 98% of the insured loans at December 31, 2003. As of December 31, 2003, 147 insured loans with balances aggregating $19.4 million were either reported as delinquent by the lender or, delinquent but not reported, while 146 insured loans with balances aggregating $18.1 million were reported or delinquent and not reported by lenders as of December 31, 2002.

Unearned premiums were $1.3 million as of December 31, 2003, a decrease of $630,000 from December 31, 2002. The decrease in unearned premiums is the continuation of an expected trend due to a change in premium collection practices. Beginning in 1996 management adopted the mortgage insurance industry norm of collecting monthly premium payments in arrears for newly established loan insurance products as compared to past practices of collecting annual premiums in advance. As a result, each year a greater percentage of insured loans require monthly premium payments, which are earned when received, rather than annual payments which are received in advance and deferred and earned over a one year period. During the fiscal year ending December 31, 2003 the Fund experienced high levels of prepayments of its older loan portfolio which also contributed to the decrease in unearned premiums.

Accounts payable and other liabilities were $1.4 million as of December 31, 2003, a decrease of $5.2 million from December 31, 2002. This decrease is largely attributable to two factors: (1) management's decision to repay the notes to Allstate Insurance Company, which resulted in a $2.8 million decrease in notes payable and (2) management's decision to repay the $2.5 million loan from CHFF for the purchase of downpayment assistance loans.

All of the Fund's equity is restricted or invested in capital assets. The Fund's equity is restricted pursuant to the Agency's enabling legislation. Total equity of the Fund grew by $3.9 million as a result of operating income.

Revenues, Expenses and Changes in Fund Equity

The following table presents condensed statements of revenues, expenses and changes in fund equity for the Fund for the fiscal years ended December 31, 2003 and December 31, 2002 and the changes from the prior year (dollars in thousands):

Condensed Statements of Revenues, Expenses and Changes in Fund Equity

	2003	2002	Change
OPERATING REVENUES			
Premiums earned	$9,205	$13,037	$(3,832)
Investment income	795	882	(87)
Other revenues	372	340	32
Total operating revenues	10,372	14,259	(3,887)
OPERATING EXPENSES			
Loss and loss adjustment expenses	(803)	361	(1,164)
Operating expenses	7,688	4,341	3,347
Other (benefits) / expenses	(417)	342	(759)
Total operating expenses	6,468	5,044	1,424
Operating income	$3,904	$9,215	$(5,311)

Operating Revenues

Operating revenues were $10.4 million during fiscal year 2003 compared to $14.3 million during fiscal year 2002, a decrease of $3.9 million or 27%.

Premiums earned in fiscal year 2003 decreased by $3.8 million, or 29%, compared to premiums earned in fiscal year 2002. The decrease in premiums earned corresponds with the decrease in insurance in force. Insurance in force was $866 million and $1.39 billion in fiscal years 2003 and 2002 respectively.

Although the Fund's investment portfolio increased during fiscal year 2003, investment income decreased $87,000 to $795,000 in fiscal year 2003 from $882,000 in fiscal year 2002. The increase in the level of the investments was not enough to offset the impact of the continuing drop in the rates earned. For the past two years, the SMIF paid interest at the rates and for the periods as shown in the following table:

Interest Payment Periods	Fiscal Year 2003	Fiscal Year 2002
January 1 to June 30	1.859 %	2.853 %
July 1 to December 31	1.590 %	2.468 %

Operating Expenses

Operating expenses were $6.4 million during fiscal year 2003 compared to $5.0 million during fiscal year 2002, an increase of $1.4 million or 28%.

Loss and loss adjustment expenses decreased by $1.2 million. The decrease is attributable to the decrease in the loss reserve as a result of the Agency entering into a reinsurance contract with GEMICO in which GEMICO assumes 75% of the insured risk on most loans insured by the Fund thus decreasing the Fund's exposure to claim losses.

The Fund's operating expenses were $7.7 million during fiscal year 2003 compared to $4.3 during fiscal year 2002, an increase of $3.4 million or 78%. The increase is primarily attributable to the increase in premiums ceded and administrative fees of $5.5 million during fiscal year 2003 compared to $2.5 million during fiscal year 2002.

Other expenses in fiscal year 2003 decreased by $759,000 when compared to other expenses incurred in fiscal year 2002. The decrease is largely attributable to a decrease in the provision for loan losses of approximately $655,000, which is due to the high level of prepayments in the mortgage loan portfolio during fiscal year 2003 and the purchase of the remaining loans as of November 1, 2003 by the California Housing Finance Fund.

Operating Income

Operating income for fiscal year 2003 was $3.9 million compared to $9.2 million in fiscal year 2002, a decrease of $5.3 million or 58%. This decrease in income is primarily a result of the GEMICO reinsurance treaty which provides for a true transfer of risk of a greater quota share of claims in exchange for a higher share of the premiums.

CALIFORNIA HOUSING LOAN INSURANCE FUND
BALANCE SHEETS
December 31, 2003 and 2002

ASSETS	2003	2002
Current assets:		
Cash and cash equivalents	$ 64,059	$ 1,341,956
Investment in Surplus Money Investment Fund (SMIF)	48,584,000	35,324,000
Interest receivable	384,831	420,808
Due from California Housing Finance Fund	311,807	816,856
Deposit with reinsurer		8,481,553
Other assets	950,854	1,984,890
Total current assets	50,295,551	48,370,063
Noncurrent assets:		
Program loans receivable, less allowance for loan losses		4,828,248
Other assets	265,313	453,636
Total noncurrent assets	265,313	5,281,884
Total assets	$50,560,864	$53,651,947
LIABILITIES AND FUND EQUITY		
Current liabilities		
Reserves for unpaid losses and loss adjustment expenses	$ 809,989	$ 1,640,643
Unearned premiums	1,124,250	1,632,389
Reinsurance Payable	303,425	19,630
Accounts payable and other liabilities	741,337	358,771
Due to California Housing Finance Fund	362,970	305,763
Total current liabilities	3,341,971	3,957,196
Noncurrent liabilities		
Unearned premiums	181,114	303,380
Due to California Housing Finance Fund		2,669,043
Notes payable		2,818,141
Accounts payable and other liabilities		770,746
Total noncurrent liabilities	181,114	6,561,310
Total liabilities	3,523,085	10,518,506
Contingencies (Note 9)		
Fund equity		
Invested in capital assets	13,389	12,066
Restricted by statute	47,024,390	43,121,375
Total fund equity	47,037,779	43,133,441
Total liabilities and fund equity	$50,560,864	$53,651,947

See notes to financial statements

CALIFORNIA HOUSING LOAN INSURANCE FUND
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FUND EQUITY
Fiscal Years Ended December 31, 2003 and 2002

	2003	2002
OPERATING REVENUES		
Premiums earned	$ 9,204,693	$13,036,714
Investment income	795,097	881,622
Other revenues	372,420	340,496
Total operating revenues	10,372,210	14,258,832
OPERATING EXPENSES		
Loss and loss adjustment expenses / (recoveries)	(803,753)	361,043
Operating expenses	7,688,441	4,340,481
Other (benefits)/ expenses	(416,816)	341,975
Total operating expenses	6,467,872	5,043,499
Operating income	3,904,338	9,215,333
Fund equity at beginning of year	43,133,441	33,918,108
Fund equity at end of year	$47,037,779	$43,133,441

See notes to financial statements

CALIFORNIA HOUSING LOAN INSURANCE FUND
STATEMENTS OF CASH FLOWS
Fiscal Years Ended December 31, 2003 and 2002

CASH FLOWS FROM OPERATING ACTIVITIES	**2003**	**2002**
Receipts from customers	$ 9,644,971	$ 9,147,783
Payments to suppliers	(6,113,833)	(1,366,345)
Payments to employees	(880,190)	(814,535)
Internal activity – payments from/(to) other funds	300,398	(389,380)
Other receipts (payments)	11,096,066	(1,587,375)
Net cash provided by operating activities	14,047,412	4,990,148
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Repayment of notes payable	(2,818,141)	(2,747,898)
Interest paid on notes payable	(71,516)	(274,165)
Net cash used for noncapital financing activities	(2,889,657)	(3,022,063)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of investments	8,557,000	7,480,000
Purchase of investments	(21,817,000)	(9,861,000)
Interest on investments	824,348	1,103,061
Net cash used for investing activities	(12,435,652)	(1,277,939)
Net increase (decrease) in cash and cash equivalents	(1,277,897)	690,146
Cash and cash equivalents at beginning of year	1,341,956	651,810
Cash and cash equivalents at end of year	$ 64,059	$1,341,956
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	$3,904,338	$9,215,333
Adjustments to reconcile operating income to net cash provided by operating activities:		
Interest expense on borrowings from notes	52,035	252,495
Interest on investments	(795,097)	(881,622)
Benefit for program loan losses	(654,944)	(161,984)
Unpaid loss and loss adjustment expense	(830,653)	196,570
Depreciation expense	3,795	2,734
Amortization of deferred policy acquisition expense	327,659	154,040
Changes in certain assets and liabilities:		
Interest receivable	6,726	3,784
Deposit with reinsurer	8,481,553	(2,099,748)
Program loans receivable	5,483,192	1,468,114
Other assets	890,904	(1,953,957)
Unearned premiums	(630,405)	(92,964)
Reinsurance payable	283,795	(729,555)
Accounts payable and other liabilities	(368,700)	28,238
Due to/from California Housing Finance Fund	(2,106,786)	(411,330)
Net cash provided by operating activities	$14,047,412	$4,990,148

See notes to financial statements

CALIFORNIA HOUSING LOAN INSURANCE FUND
NOTES TO FINANCIAL STATEMENTS
For the Years Ended December 31, 2003 and 2002

Note 1 – ATHORIZING LEGISLATION AND ORGANIZATION

The California Housing Loan Insurance Fund ("Fund") is one of two continuously appropriated funds administered by the California Housing Finance Agency ("Agency"). The Agency was created by the Zenovich-Moscone-Chacon Housing and Home Finance Act ("Act"), as amended, as a public instrumentality, a political subdivision and a component unit of the State of California ("State"), and is in the State's California Annual Financial Report, and administers the activities of the Fund and the California Housing Finance Fund ("CHFF"). These funds allow the Agency to carry out its purpose of meeting the housing needs of persons and families of low and moderate income within the State. The Agency is authorized to insure mortgage loans, and to issue bonds, notes and other obligations to fund loans to qualified borrowers for single family houses and multifamily developments. The Agency has no taxing power and is exempt from Federal income taxes and state franchise taxes.

The accompanying financial statements are the statements of the Fund and do not include the financial position or the results of operations of the CHFF. As of June 30, 2003 the CHFF had total assets of $9,776,665,000 and fund equity of $1,024,702,000 (not covered by this Independent Auditors' Report).

The Agency is also authorized to use the Fund to provide mortgage insurance for loans made by the Agency and others which finance the acquisition, new construction or rehabilitation of residential structures in California. Total risk in-force was $390,810,000 and $627,322,000 at December 31, 2003 and 2002, respectively. Over 95% of the insured first mortgage loans outstanding at December 31, 2003 have loan to value ratios, measured as of the funding date of the loan, equal to or greater than 90%.

Note 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation and Accounting: The Fund is accounted for as an enterprise fund. Accordingly the accompanying financial statements have been prepared using the accrual method of accounting and on the basis of accounting principles generally accepted in the United States of America (hereinafter referred to as "Generally Accepted Accounting Principles") which differ from statutory accounting practices followed by insurance companies in reporting to insurance regulatory authorities.

Accounting and Reporting Standards: The Agency follows the Standards of Governmental Accounting and Financial Reporting, as promulgated by the Governmental Accounting Standards Board ("GASB"). The Agency has adopted the option under GASB No. 20 which allows the Agency to apply all GASB pronouncements and only Financial Accounting Standards Board ("FASB") pronouncements which date prior to November 30, 1989.

Use of Estimates: The preparation of financial statements in conformity with Generally Accepted Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ materially from those estimates.

Cash and cash equivalents: The Agency considers cash on hand and cash on deposit with the State Controller's office other than the investment in the SMIF to be cash and cash equivalents.

Investments: The Agency invests the Fund's cash in the State's Surplus Money Investment Fund ("SMIF"). SMIF represents a portion of the State's Pooled Money Investment account ("PMIA"). These PMIA funds are on deposit within the State's Centralized Treasury System and are managed in compliance with the California Government Code, according to a statement of investment policy which sets forth permitted investment vehicles, liquidity parameters and maximum maturity of investments. Investments in SMIF are recorded at fair value and are not required to be categorized under GASB Statement No. 3. The office of the State Treasurer of California issues a Pooled Money Investment Board Report with information on the PMIA's portfolio composition. A copy of that report may be obtained from the Office of the State Treasurer, 915 Capitol Mall, Room 106, Sacramento, CA 95814 or via the internet at www.treasurer.ca.gov.

Program Loans Receivable: Loans receivable for fiscal year 2002 are carried at their outstanding principal balances, less of an allowance for loan losses. As of November 1, 2003 all outstanding program loans were purchased by the CHFF.

Allowance for Program Loan Losses: The Agency's policy is to charge expense for estimated probable losses which are established as an allowance for loan losses. As of November 1, 2003 all outstanding loans receivable were sold to the CHFF based on the carrying amount of the loans and the related allowance for program loan losses of $654,944 was reversed and included as a benefit in other expenses

Deferred Policy Acquisition Costs: The Fund defers certain costs related to the acquisition of new insurance policies and amortizes these costs over the expected life of the policies. These costs are associated with the acquisition, underwriting and processing of new policies. Deferred Policy Acquisition Costs were $469,721 and $376,654 for the years ended December 31, 2003 and 2002, respectively, and are included as part of Other Assets on the Balance Sheets.

Reserves for Unpaid Losses and Loss Adjustment Expenses: The Fund establishes reserves for losses and loss adjustment expenses, to recognize the estimated liability for potential losses and related loss expenses in connection with borrower default on mortgage payments. The liability for unpaid losses and loss adjustment expenses resulting from mortgage insurance is an estimate based upon the unpaid delinquent balance on mortgage loans reported by lenders as of the close of the accounting period, estimates of incurred but not reported (IBNR) claims and historical and expected frequency and loss severity information.

There is a high level of uncertainty inherent in the evaluation of the required loss and loss adjustment expense reserves. Management has selected frequency of claims paid and severity loss ratios that it believes are reasonable and reflective of anticipated ultimate experience. The ultimate costs of claims are dependent upon future events, the outcomes of which are affected by many factors. The Agency's claim reserving procedures and settlement practices, economic inflation, court rulings, real estate market conditions and many other economic, scientific, legal, political, and social factors all can have significant effects on the ultimate cost of claims.

Changes in operations and management practices may also cause actual developments to vary from past experience. Since the emergence and disposition of claims are subject to uncertainties, the net amounts that will ultimately be paid to settle the liability may vary significantly from the estimated amounts provided for in the accompanying financial statements. Any adjustments, which may be material, to reserves are reflected in the operating results of the periods in which they are made.

Fund Equity: Fund equity is classified as invested in Capital Assets or Restricted Equity. Invested in Capital Assets represents investments in office equipment and furniture net of depreciation. Restricted Equity represents equity that is restricted pursuant to the Agency's enabling legislation.

Operating Revenues and Expenses: The Fund's primary operating revenue is derived from premiums earned on private mortgage insurance written. The primary expenses are the expenses associated with the underwriting, acquisition, issuance, administration and the reinsurance of private mortgage insurance products and policies.

Recognition of Premium Income: Primary mortgage insurance policies are contracts that are generally non-cancelable by the insurer, and provide payment of premiums on a monthly, annual or single basis. Premiums written on a monthly basis are earned as coverage is provided. Premiums written on an annual basis are deferred as unearned premiums and amortized on a monthly pro rata basis over the year of coverage. Primary mortgage insurance premiums written on policies covering more than one year is referred to as single premiums. A portion of single premiums is recognized immediately in earnings, and the remaining portion is deferred as unearned premiums and amortized over the expected life of the policy.

Other Expenses: Included in other expenses is the benefit or the loan losses associated with the downpayment assistance program loans, purchased by CHFF in November 2003, interest expense on the notes payable to Allstate, interest expense on the interfund transfer agreement between the Agency and the Fund and guarantee fees paid to the Agency for a deposit and pledge of the Agency's equity.

Reinsurance: Effective March 1, 2003, the Agency entered into a reinsurance treaty and administrative services agreement with General Electric Mortgage Insurance Corporation (GEMICO). This agreement cedes to GEMICO a 75% quota share of the insurance risk for most loans insured by the Fund and provides for certain administrative services to be performed by GEMICO. The Fund uses reinsurance to reduce net risk in force and optimize capital allocation.

Recent Accounting Pronouncements: In March 2003, GASB issued Statement of Governmental Accounting Standards ("SGAS") No. 40, *Deposit and Investment Risk Disclosures, an amendment of SGAS No. 3, Deposits with Financial Institutions, Investments (including Repurchase Agreements), and Reverse Repurchase Agreements*. SGAS No. 40 requires disclosures regarding additional risks to which governments may be exposed. The Agency plans to adopt the provisions of SGAS No. 40 for the Fund effective January 1, 2005. SGAS No. 40 requires disclosure of information covering investment credit risk disclosures; interest rate disclosures that include investment maturity information; interest rate sensitivity for investments that are highly sensitive to changes in interest rates; and foreign exchange exposures that would indicate the foreign investment's denomination. Management does not believe the adoption of this statement will have a significant impact on its financial position or results of operations.

Reclassifications: Certain amounts in the 2002 financial statements have been reclassified to conform to the 2003 presentation.

Note 3 – ALLOWANCE FOR PROGRAM LOAN LOSSES

Changes in the allowance for program loan losses for the years ended December 31, 2003 and 2002 are as follows:

	2003	2002
Beginning of year balance	$658,397	$836,506
Loans charged-off	(3,453)	(16,125)
Benefit for program loan losses	(654,944)	(161,984)
End of year balance	$ -	$658,397

As of November 1, 2003 all of the Fund's outstanding loans receivable were purchased by the CHFF based on the carrying amount of the loans and the related allowance for program loan losses of $654,944 was reversed as a benefit in other expenses.

Note 4 – RESERVES FOR UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES

Changes in the reserves for unpaid losses and loss adjustment expenses for the years ended December 31, 2003 and 2002 are summarized as follows:

	2003	2002
Beginning of year balance	$1,640,643	$1,444,073
Incurred / (recovered) related to:		
Current year	1,724,971	1,260,140
Prior years	(1,215,086)	(899,097)
Total incurred	509,885	361,043
Paid related to:		
Current year		17,812
Prior years	22,257	146,661
Total paid	22,257	164,473
Risk ceded to GEMICO	(1,318,282)	
End of Year Balance	$809,989	$1,640,643

Reserves for loss and loss adjustment expenses incurred for the current year relate to delinquent loans at December 31, 2003 and 2002 and represent the estimated ultimate amount of losses to be paid on such delinquencies. Current year losses incurred have increased from 2002 as a result of a decline in overall economic conditions, an increase in the unpaid principal balance of the underlying mortgage loan portfolio and a change in the delinquency status of the underlying mortgage loan portfolio. The credits included in reserves for losses and loss adjustment expenses incurred related to insured events of prior years represent the favorable development of reserves as a result of actual claim rates and claim amounts being lower than those estimated when originally establishing reserves. Such estimates were based on historical experience which management believed was representative of expected future losses at the time of estimation. As a result of the extended period of time that may exist between the report of a delinquency and claim payment thereon, significant uncertainty and variation exist with respect to the ultimate amount to be paid because economic conditions and real estate markets will change.

Note 5 – REINSURANCE

Through December 31, 2002, the Agency had a quota share reinsurance agreement with Hannover Ruckversicherungs-Aktiengesellschaft, a major reinsurer ("Hannover"). Under the agreement a portion of premiums received by the Fund were remitted to Hannover. Because of the lack of significant insurance risk assumed by the reinsurer under the terms of the agreement, the Fund accounted for the net amounts remitted to Hannover as a deposit. Such deposit represented amounts held by Hannover to pay the reinsurer's share of future claims; excess amounts to be refunded to the Fund in the event of commutation of the agreement. On August 27, 2002 the Agency provided notice to Hannover that it would terminate the quota share reinsurance agreement effective midnight December 31, 2002. On January 31, 2003 the Agency received the $8,481,553 deposit held by Hannover.

Effective March 1, 2003, the fund entered into a 75% quota-share reinsurance agreement with GEMICO to reinsure 98% of the Funds portfolio. Under the terms of this agreement, the reinsurer will indemnify the Fund for 75% of all losses paid on the insured loans to which the Fund cedes 64.5% of the related premiums. The Agency's reinsurance agreement typically provides for a recovery of a proportionate level of claim expenses from the reinsurer. The Fund remains liable to its policyholders if the reinsurer is unable to satisfy their obligations under the reinsurance agreement. As of December 31, 2003 the amount ceded to GEMICO was $5,420,148.

Claims during the period of January 1, 2003 through February 28, 2003, when no reinsurance agreement was in force, were not significant.

Note 6 – NOTES PAYABLE

Notes payable at December 31, 2002 consisted of three notes payable to Allstate Insurance Company for use in purchasing loans as a part of the Fund's downpayment assistance loan program. The notes accrue interest at the 15-year Treasury rate on the funding date plus .50% which is payable on a semiannual basis and are collateralized by loans receivable. In May of 2003 the Agency repaid the notes and all accrued interest.

Notes Payable at December 31, 2003 and 2002 are as follows:

Notes Payable	Date Issued	Interest Rate	Final Maturity Date	Amounts Outstanding 2003	2002
Allstate insurance Company	5/17/2000	6.90%	9/15/2013		$444,993
Allstate insurance Company	4/17/2001	6.21%	9/15/2013		874,965
Allstate insurance Company	11/15/2001	5.21%	9/15/2013		1,498,183
Total Notes Payable				$ -	$2,818,141

Note 7– ARRANGEMENTS WITH THE CALIFORNIA HOUSING FINANCE FUND

Certain of the administrative and operating expenses charged to the Fund are provided by the Agency. These expenses, initially paid from the CHFF, include office space, business services, legal services, accounting services, information systems support and human resource support services. The Fund is charged quarterly for these expenses. Amounts payable to the CHFF were $362,970 and $274,227 at December 31, 2003 and 2002, respectively. For the years ended December 31, 2003 and 2002, total expenses allocated to the Fund by the Agency were $1,336,649 and $1,094,031 respectively. For the years ending December 31, 2003 and 2002, management determined that CHFF should participate in certain legal and consulting expenses originally paid by the Fund. The amount due to the Fund from the CHFF for these expenses was $311,807 and $185,699 at December 31, 2003 and 2002 respectively and is included in the Due from California Housing Finance Fund.

At December 31, 2002 the Fund insured a loan portfolio on behalf of the Agency in the amount of $2,334,651. Any loss was indemnified by the Agency with assets of CHFF. The excess of funds advanced by CHFF to the Fund was $169,043 at December 31, 2002 and is included in the Due to California Housing Finance Fund. During 2003, the Agency determined that the loan portfolio represents an insured risk of the Fund and the $169,043 was returned to CHFF.

At December 31, 2002 the Fund received fees in connection with insurance coverage that supplemented or replaced other primary mortgage insurance to maintain the Agency's requirement that all loans assigned to the Home Mortgage Revenue bond Indenture have 50% coverage for the life of the loan. Amounts payable to the Fund for these fees were $92,815 at December 31, 2002. During 2003, the Management determined that since the Fund was indemnified against loss by the Agency with assets of the CHFF the Fund would no longer receive fees from the CHFF.

At December 31, 2002 the Agency serviced the downpayment assistance loans on behalf of the Fund. Amounts collected from borrowers were deposited into the CHFF and transferred to the Fund monthly, amounts deposited in the CHFF and payable to the Fund were $538,341 at December 31, 2002. As of November 1, 2003 the loans were sold to the CHFF and therefore, there are no amounts payable at December 31, 2003.

An Interfund Agreement provided for the transfer of $2,500,000, from CHFF to the Fund to be used to purchase downpayment assistance loans. Interest on the amount transferred was paid periodically at the prevailing earnings rate on deposits in SMIF. For the years ended December 31, 2003 and 2002, total interest expense was $42,551 and $67,396, respectively. Amounts payable to CHFF for interest on the transfer was $31,536 at December 31, 2002 and none at December 31, 2003. The Fund repaid the transfer amount of $2,500,000 to CHFF in December 2003.

The Agency Board of Directors approved Resolution 03-19 on March 20, 2003 authorizing the Agency to utilize the resources of CHFF to support the mortgage guaranty insurance programs of the Agency in the following two ways: 1) the Executive Director of the Agency is authorized to create one or more supplementary reserve accounts within the Supplementary Bond Security Account of CHFF to indemnify the Mortgage Insurance fund for losses incurred or to pay claims against the Mortgage Insurance Fund in connection with loans financed by the Agency, and 2) the Executive Director of the Agency may establish an inter-fund credit agreement by which the Fund may borrow such sums from CHFF as may be required to maintain the claims paying rating of any credit rating service.

Subsequently, the Agency Executive Director established an inter-fund credit agreement in the amount of $100,000,000 in which the Fund may borrow from CHFF as needed for the purpose of paying claims arising out of policies of mortgage guarantee insurance and costs and expenses related to the payment of such claims. Interest rates and repayment terms are determined upon receipt of a request to draw on this credit facility. The Fund had not requested a draw on this credit through December 31, 2003.

Note 8 – PENSION PLAN

The Fund contributes to the Public Employees' Retirement Fund ("PERF") as part of the State of California, the primary government. The PERF is a cost-sharing multiple-employer defined benefit pension plan administered by the California Public Employment Retirement System ("CalPERS"). CalPERS provides retirement, death, disability and post retirement health care benefits to members as established by state statute. CalPERS issues a publicly available Comprehensive Annual Financial Report ("CAFR") that includes financial statements and required supplementary information for the Public Employees' Retirement Fund. A copy of that report may be obtained from CalPERS, Central Supply, and P.O. Box 942175, Sacramento, CA 95229-2715 or via the internet at www.calpers.ca.gov.

The State of California, pursuant to the Memoranda of Understanding with the employee unions, agreed to a temporary cessation of employee retirement contributions for the 2003 fiscal year and also extended the temporary cessation of employment retirement contributions for the 2004 fiscal year for State miscellaneous and industrial employees. As a result, the contribution rates were reduced from the statutory 5% or 6% to 0%.

For the CalPERS fiscal years ended June 30, 2003 and 2002 the employer contribution rates were 2.813% to 7.413% and .036% to 4.166% respectively. For the CalPERS fiscal year beginning July 1, 2003, which covers the period July 1, to December 31, 2003, the employer contribution rates were 10.265 % to 14.843%.

The Fund's contributions to the PERF for the years ended December 31, 2003, 2002 and 2001 were $87,784, $29,358 and $11,996 respectively, equal to the required contributions for each fiscal year.

Required contributions are determined by actuarial valuation using the individual entry age normal cost method. The most recent actuarial valuation available is as of June 30, 2002, which actuarial assumptions included (a) 8.25% investment rate of return compounded annually, (b) projected salary increases that vary by duration of service, and (c) overall payroll growth factor of 3.75% annually. Both (a) and (c) included an inflation component of 3.5% and a .25% per annum productivity increase assumption. The amortization method is based on a level percentage of payroll closed. The remaining amortization at June 30, 2002 was 13 to 30 years.

The most recent actuarial valuation of the PERF indicated that there was an unfunded actuarial accrued liability. The amount of the under funded liability applicable to each agency or department cannot be determined. Trend information, which presents CalPERS progress in accumulating sufficient assets to pay benefits when due is presented in the June 30, 2003 CalPERS CAFR.

Note 9 – LITIGATION

Certain lawsuits and claims arising in the ordinary course of business have been filed or are pending against the Agency. Based upon information available to the Agency, its review of such lawsuits and claims and consultation with counsel, the Agency believes the liability relating to these actions, if any, would not have a material adverse effect on the Fund's financial statements.

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Appendix B

CALIFORNIA HOUSING FINANCE AGENCY
OUTSTANDING INDEBTEDNESS

The following table describes the bonds of the Agency issued and outstanding as of August 1, 2004

Program/Series		Type of Bond	Dated 1	Delivery Date	Original Maturities		Issued/Sold but Unissued		Outstanding 2
SINGLE FAMILY PROGRAM BONDS:									
Single Family Mortgage Purchase Program Bonds:									
1976 Series A		Non-AMT	12/1/76	12/8/76	1978-2008	$	100,000,000.00	$	0.00
1983 Series A		Non-AMT	8/1/83	9/27/83	2003		6,680,000.00		0.00
						$	106,680,000.00	$	0.00
Home Ownership and Home Improvement Revenue Bonds:									
1978 Series A		Non-AMT	1/1/78	1/5/78	1980-2012	$	25,000,000.00	$	0.00
1978 Series B		Non-AMT	4/1/78	4/13/78	1980-2012		50,000,000.00		0.00
1978 Series C		Non-AMT	7/1/78	7/20/78	1980-2012		50,000,000.00		0.00
1978 Series D		Non-AMT	11/1/78	11/8/78	1980-2013		50,000,000.00		0.00
1979 Series A		Non-AMT	2/1/79	2/8/79	1981-2014		75,000,000.00		0.00
1979 Series B		Non-AMT	10/1/79	10/24/79	1982-2014		70,000,000.00		0.00
1979 Series C		Non-AMT	1/1/80	1/3/80	1982-2014		85,000,000.00		0.00
1982 Series A		Non-AMT	7/1/82	8/17/82	1997-2014		31,500,000.00		0.00
1983 Series A		Non-AMT	8/1/83	9/27/83	2003		10,220,000.00		0.00
1991 Series A		Non-AMT	12/1/91	1/22/92	2002-2032		127,939,542.40		0.00
						$	574,659,542.40	$	0.00
Home Ownership Mortgage Bonds:									
1985 Series A		Non-AMT	10/15/85	11/21/85	1988-2017	$	174,277,050.67	$	0.00
Home Mortgage Revenue Bonds:									
1982 Series A		Non-AMT	10/1/82	11/9/82	1984-2014	$	212,000,000.00	$	2,505,000.00
1982 Series B		Non-AMT	12/1/82	12/29/82	1984-2014		101,775,000.00		795,000.00
1983 Series A		Non-AMT	10/1/83	11/16/83	1986-2015		226,999,840.00		14,037,082.40
1983 Series B		Non-AMT	12/1/83	12/30/83	1986-2015		84,999,938.00		4,599,787.54
1984 Series A		Non-AMT	8/1/84	9/26/84	1986-2016		300,004,252.00		0.00
1984 Series B		Non-AMT	11/1/84	12/18/84	1987-2016		121,435,704.00		517,912.56
1985 Series A		Non-AMT	4/1/85	5/8/85	1986-2016		200,001,466.00		548,448.12
1985 Series B		Non-AMT	7/1/85	8/29/85	1988-2017		125,002,002.50		3,475,000.00
1986 Series A		Non-AMT	6/1/86	7/17/86	1989-2016		241,945,000.00		0.00
1986 Series B		Non-AMT	12/1/86	1/15/87	1990-2016		196,651,464.16		0.00
1987 Series A		Non-AMT	6/1/87	7/16/87	1991-2017		178,445,000.00		0.00
1988 Series A		Non-AMT	1/1/88	1/28/88	1991-2019		56,850,000.00		0.00
1988 Series B		AMT	1/1/88	1/28/88	1991-2019		143,150,000.00		0.00
1988 Series C		AMT	4/1/88	5/24/88	1992-2019		175,000,000.00		0.00
1988 Series D		Non-AMT	6/1/88	7/27/88	1992-2019		74,400,000.00		0.00
1988 Series E		AMT	6/1/88	7/27/88	1992-2019		172,930,000.00		0.00
1988 Series F		Non-AMT	9/1/88	9/28/88	1992-2019		36,700,000.00		0.00
1988 Series G		AMT	9/1/88	9/28/88	1992-2019		81,050,000.00		0.00
1989 Series A		Non-AMT	4/1/89	5/10/89	1993-2017		80,000,000.00		0.00
1989 Series B		AMT	4/1/89	5/10/89	1993-2029		125,000,000.00		0.00
1989 Series C		Non-AMT	6/1/89	7/12/89	1993-2017		23,000,000.00		0.00
1989 Series D		AMT	6/1/89	7/12/89	1993-2029		100,000,000.00		0.00
1989 Series E		AMT	10/1/89	10/26/89	1993-2029		79,214,438.12		0.00
1989 Series F		Non-AMT	12/1/89	12/28/89	1993-2017		100,000,000.00		0.00
1989 Series G		AMT	12/1/89	12/28/89	2023		12,000,000.00		0.00
1990 Series A		AMT	3/1/90	4/4/90	1997-2030		99,999,924.80		0.00
1990 Series B		Non-AMT	7/1/90	7/26/90	2001-2017		81,860,278.15		0.00
1990 Series C		AMT	7/1/90	7/26/90	2030		161,830,000.00		0.00
1990 Series D		AMT	9/1/90	9/27/90	2001-2031		184,999,823.15		0.00
1991 Series A		Non-AMT	1/1/91	1/30/91	1995-2017		80,999,421.15		0.00
1991 Series B		AMT	1/1/91	1/30/91	2020		16,000,000.00		0.00
1991 Series C		AMT	3/1/91	4/24/91	1995-2031		199,999,516.25		0.00
1991 Series D		Non-AMT	6/1/91	7/24/91	1995-2017		61,500,000.00		0.00
1991 Series E		AMT	6/1/91	7/24/91	1995-2031		154,999,631.20		0.00
1991 Series F		Non-AMT	11/1/91	12/11/91	1995-2017		60,245,000.00		0.00
1991 Series G		AMT	11/1/91	12/11/91	1995-2027		120,220,000.00		0.00
1991 Series H		Non-AMT	12/1/92	12/1/92	1993		25,040,000.00		0.00
1991 Series I		AMT	12/1/92	12/1/92	1993		49,960,000.00		0.00
1993 Series A		TAXABLE	5/14/93	5/14/93	1993		257,220,000.00		0.00
1993 Series B		Non-AMT	12/1/93	1/27/94	1994-2025		150,115,000.00		12,145,000.00
1993 Series C		Non-AMT	12/1/93	1/27/94	1995-2017		16,700,000.00		1,325,000.00
1993 Series D		AMT	12/1/93	1/27/94	2022-2023		21,050,000.00		0.00
1993 Series E		Non-AMT	12/1/93	1/27/94	1995-2017		22,135,000.00		8,690,000.00
1993 Series F	($4,760,000 Remarketed 12/94)	AMT	12/30/93	12/30/93	1996-2023		257,220,000.00		0.00
1994 Series A		Non-AMT	4/1/94	5/17/94	2026		32,755,000.00		0.00

Appendix B

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Program/Series		Type of Bond	Dated 1	Delivery Date	Original Maturities	Issued/Sold but Unissued	Outstanding 2
1994 Series B-1	....	AMT	4/1/94	5/17/94	1995-2016	107,955,000.00	0.00
1994 Series B-2	(RIBS)……………………………	AMT	5/17/94	5/17/94	2023	43,300,000.00	0.00
1994 Series B-3	(SAVRS)…………………………	AMT	5/17/94	5/17/94	2023	43,300,000.00	0.00
1994 Series C	....	AMT	5/1/94	6/23/94	1995-2025	80,500,000.00	0.00
1994 Series D	(SAVRS)…………………………	AMT	9/21/94	9/21/94	2034	20,600,000.00	9,300,000.00
1994 Series E	....	AMT	9/1/94	10/26/94	1996-2025	83,615,000.00	0.00
1994 Series F-1	....	AMT	10/1/94	11/3/94	1996-2026	121,985,000.00	0.00
1994 Series F-2	(MUNICIPAL FORWARDS)……	AMT	4/26/95	4/26/95	2016-2026	31,480,000.00	0.00
1994 Series F-3	($43,475,000 Remarketed 6/95)	AMT	10/19/94	10/19/94	2015-2026	43,475,000.00	9,410,000.00
1994 Series G	....	Non-AMT	12/1/94	12/15/94	1997-2017	58,470,000.00	0.00
1994 Series H	....	AMT	12/1/94	12/15/94	2019-2025	82,785,000.00	0.00
1995 Series A-1	(SAVRS)…………………………	Non-AMT	1/24/95	1/24/95	2017	5,000,000.00	0.00
1995 Series A-2	(SAVRS)…………………………	AMT	1/24/95	1/24/95	2026	15,000,000.00	0.00
1995 Series B	....	AMT	1/1/95	1/24/95	2021-2026	26,280,000.00	0.00
1995 Series C	....	Non-AMT	1/1/95	1/24/95	1996-2017	26,575,000.00	0.00
1995 Series D	....	TAXABLE	1/1/95	1/24/95	2004-2026	26,840,000.00	0.00
1995 Series E	($75,875,000 Remarketed 10/96)	AMT	3/23/95	3/23/95	2027	200,000,000.00	10,690,000.00
1995 Series F	....	Non-AMT	5/15/95	6/29/95	2014-2017	22,000,000.00	4,850,000.00
1995 Series G	....	AMT	5/15/95	6/29/95	2006-2027	117,465,000.00	14,560,000.00
1995 Series H	....	TAXABLE	5/15/95	6/29/95	2005	20,500,000.00	0.00
1995 Series I	(SAVRS)…………………………	AMT	7/27/95	7/27/95	2035	20,900,000.00	14,300,000.00
1995 Series J	....	Non-AMT	7/1/95	7/27/95	2017	17,745,000.00	0.00
1995 Series K	....	AMT	7/1/95	7/27/95	1997-2027	61,355,000.00	0.00
1995 Series L	....	Non-AMT	11/1/95	12/6/95	2017	14,000,000.00	3,760,000.00
1995 Series M	....	AMT	11/1/95	12/6/95	1998-2027	86,000,000.00	9,790,000.00
1996 Series A	....	Non-AMT	5/1/96	5/8/96	1997-2016	112,805,000.00	0.00
1996 Series B	....	Non-AMT	1/1/96	1/30/96	2016	7,020,000.00	0.00
1996 Series C-1	....	AMT	1/1/96	1/30/96	1997-2019	23,230,000.00	0.00
1996 Series C-2	(RIBS)……………………………	AMT	1/30/96	1/30/96	2027	11,800,000.00	0.00
1996 Series C-3	(SAVRS)…………………………	AMT	1/30/96	1/30/96	2027	11,800,000.00	0.00
1996 Series D	($14,000,000 Remarketed 12/96)	AMT	4/18/96	4/18/96	2028	65,000,000.00	0.00
1996 Series E	....	AMT	3/1/96	4/18/96	2001-2027	165,000,000.00	14,565,000.00
1996 Series F	....	TAXABLE	4/18/96	4/18/96	2001	15,000,000.00	0.00
1996 Series G	....	Non-AMT	5/15/96	6/20/96	2007-2015	12,500,000.00	10,465,000.00
1996 Series H	....	AMT	5/15/96	6/20/96	1997-2027	105,200,000.00	5,050,000.00
1996 Series I	....	TAXABLE	5/15/96	6/20/96	2002-2011	22,300,000.00	0.00
1996 Series J	(Remrkt 7/97, 6/98 & 7/98)……..	AMT	7/24/96	7/24/96	2028	76,625,000.00	0.00
1996 Series J-1	....	AMT	7/24/96	6/11/98	2028	(Orig.Issue 1996J)	4,960,000.00
1996 Series J-2	....	AMT	7/24/96	7/30/98	2006-2028	(Orig.Issue 1996J)	0.00
1996 Series K	....	Non-AMT	7/1/96	7/24/96	2007-2016	23,370,000.00	16,745,000.00
1996 Series L	....	AMT	7/1/96	7/24/96	1998-2027	79,775,000.00	1,715,000.00
1996 Series M	....	TAXABLE	7/1/96	7/24/96	2002-2016	23,355,000.00	0.00
1996 Series N	....	AMT	9/1/96	10/16/96	1998-2027	23,480,000.00	0.00
1996 Series O	....	TAXABLE	10/16/96	10/16/96	2002-2028	52,085,000.00	0.00
1996 Series P	....	Non-AMT	9/1/96	10/16/96	2003-2014	8,560,000.00	7,490,000.00
1996 Series Q	....	Non-AMT	11/1/96	12/11/96	2016	20,000,000.00	14,215,000.00
1996 Series R	....	AMT	11/1/96	12/11/96	1998-2027	76,000,000.00	6,230,000.00
1996 Series S	....	TAXABLE	11/1/96	12/11/96	2003-2028	30,000,000.00	0.00
1997 Series A	....	Non-AMT	1/1/97	1/30/97	2016	11,475,000.00	4,875,000.00
1997 Series B	....	AMT	1/1/97	1/30/97	1998-2028	87,275,000.00	8,970,000.00
1997 Series C	....	TAXABLE	1/1/97	1/30/97	2004-2028	30,000,000.00	1,975,000.00
1997 Series D	....	Non-AMT	5/1/97	6/5/97	2005-2017	19,780,000.00	8,585,000.00
1997 Series E	....	AMT	5/1/97	6/5/97	1998-2029	62,220,000.00	3,455,000.00
1997 Series F	....	TAXABLE	5/1/97	6/5/97	2006-2029	33,000,000.00	3,235,000.00
1997 Series G	(Variable)…………………………..	TAXABLE	6/5/97	6/5/97	2017	53,045,000.00	7,675,000.00
1997 Series H	....	Non-AMT	7/1/97	7/30/97	2017	7,740,000.00	7,740,000.00
1997 Series I	....	AMT	7/1/97	7/30/97	1999-2029	76,160,000.00	12,030,000.00
1997 Series J	....	AMT	7/30/97	7/30/97	1998	26,000,000.00	0.00
1997 Series K	....	TAXABLE	7/1/97	7/30/97	2005-2029	50,000,000.00	4,205,000.00
1997 Series L	....	Non-AMT	11/1/97	12/11/97	1999-2024	18,435,000.00	16,085,000.00
1997 Series M	....	AMT	11/1/97	12/11/97	2017-2029	46,565,000.00	5,335,000.00
1997 Series N	....	TAXABLE	11/1/97	12/11/97	2007-2029	35,000,000.00	0.00
1997 Series O	....	AMT	4/23/98	4/23/98	2027	22,085,000.00	13,610,000.00
1998 Series A	....	Non-AMT	1/1/98	1/29/98	2012-2017	9,545,000.00	9,545,000.00
1998 Series B	....	AMT	1/1/98	1/29/98	2009-2028	58,605,000.00	14,285,000.00
1998 Series C	....	AMT	1/29/98	1/29/98	1999	21,455,000.00	0.00
1998 Series D	....	TAXABLE	1/1/98	1/29/98	1999-2029	40,000,000.00	3,175,000.00
1998 Series E	....	AMT	2/19/98	2/19/98	2033	127,000,000.00	0.00
1998 Series E-1	....	AMT	2/19/98	10/15/98	2014-2023	(Orig.Issue 1998E)	0.00
1998 Series E-2	....	AMT	2/19/98	12/9/98	2014-2023	(Orig.Issue 1998E)	3,765,000.00

Appendix B

CALIFORNIA HOUSING FINANCE AGENCY
OUTSTANDING INDEBTEDNESS

The following table describes the bonds of the Agency issued and outstanding as of August 1, 2004

Program/Series		Type of Bond	Dated 1	Delivery Date	Original Maturities	Issued/Sold but Unissued	Outstanding 2
1998 Series F	....	Non-AMT	5/1/98	6/11/98	2005-2016	85,415,000.00	38,905,000.00
1998 Series G	....	AMT	5/1/98	6/11/98	1999-2030	29,089,270.96	2,740,000.00
1998 Series H	....	TAXABLE	5/1/98	6/11/98	2006-2028	51,500,000.00	2,280,000.00
1998 Series I	....	Non-AMT	7/1/98	7/30/98	2017	8,075,000.00	0.00
1998 Series J	....	AMT	7/1/98	7/30/98	2000-2029	58,200,000.00	12,160,000.00
1998 Series K	....	AMT	7/30/98	7/30/98	1999	27,945,000.00	0.00
1998 Series L	....	TAXABLE	7/1/98	7/30/98	2007-2029	72,690,000.00	16,300,000.00
1998 Series M	(Variable).......	TAXABLE	7/30/98	7/30/98	2019-2023	100,000,000.00	30,310,000.00
1998 Series N	....	AMT	9/15/98	10/15/98	2000-2029	70,000,000.00	13,685,000.00
1998 Series O	....	TAXABLE	9/15/98	10/15/98	2022	48,490,000.00	10,955,000.00
1998 Series P	(Variable).......	TAXABLE	10/15/98	10/15/98	2029	36,500,000.00	36,500,000.00
1998 Series Q	....	Non-AMT	12/1/98	12/9/98	2017-2024	10,000,000.00	0.00
1998 Series R	....	AMT	12/1/98	12/9/98	2000-2026	30,000,000.00	7,990,000.00
1998 Series S	....	TAXABLE	12/1/98	12/9/98	2026	50,000,000.00	19,910,000.00
1998 Series T	(Variable).......	TAXABLE	12/9/98	12/9/98	2029	20,000,000.00	19,175,000.00
1999 Series A	....	Non-AMT	4/14/99	4/14/99	2016	13,738,054.80	0.00
1999 Series B	....	AMT	4/14/99	4/14/99	2000-2030	48,761,927.88	11,258,256.96
1999 Series C	....	TAXABLE	3/1/99	4/14/99	2013	62,500,000.00	29,725,000.00
1999 Series D	....	AMT	4/14/99	4/14/99	2000	33,860,000.00	0.00
1999 Series E	....	Non-AMT	6/24/99	6/24/99	2017	5,999,233.68	0.00
1999 Series F	....	AMT	6/1/99	6/24/99	2001-2030	44,000,542.55	6,970,028.13
1999 Series G	....	TAXABLE	6/1/99	6/24/99	2011	50,000,000.00	24,925,000.00
1999 Series H	(Variable).......	TAXABLE	6/24/99	6/24/99	2019	35,265,000.00	1,375,000.00
1999 Series I	(Variable).......	Non-AMT	6/24/99	6/24/99	2015	22,460,000.00	17,730,000.00
1999 Series J	(Variable).......	AMT	6/24/99	6/24/99	2020	105,250,000.00	1,590,000.00
1999 Series K	....	Non-AMT	10/7/99	10/7/99	2024	20,204,625.00	0.00
1999 Series L	....	AMT	10/7/99	10/7/99	2001-2031	54,793,737.00	1,432,305.77
1999 Series M	....	TAXABLE	9/1/99	10/7/99	2012	75,000,000.00	27,165,000.00
1999 Series N	....	AMT	12/9/99	12/9/99	2001-2031	85,000,240.07	40,467,232.71
1999 Series O	(Variable).......	TAXABLE	12/9/99	12/9/99	2012	85,000,000.00	42,660,000.00
1999 Series P	(Variable).......	Non-AMT	12/9/99	12/9/99	2015	25,135,000.00	0.00
1999 Series Q	(Variable).......	AMT	12/9/99	12/9/99	2020	26,485,000.00	0.00
2000 Series A	....	Non-AMT	1/27/00	1/27/00	2005-2011	7,985,000.00	0.00
2000 Series B	....	AMT	1/27/00	1/27/00	2002-2031	34,514,877.75	8,827,529.60
2000 Series C	(Variable).......	AMT	1/27/00	1/27/00	2031	42,500,000.00	39,670,000.00
2000 Series D	(Variable).......	TAXABLE	1/27/00	1/27/00	2023	85,000,000.00	50,240,000.00
2000 Series E	....	TAXABLE	1/27/00	1/27/00	2031	4,800,000.00	0.00
2000 Series F	....	AMT	4/6/00	4/6/00	2001-2031	49,999,940.40	0.00
2000 Series G	(Variable).......	AMT	4/6/00	4/6/00	2031	70,000,000.00	60,720,000.00
2000 Series H	(Variable).......	TAXABLE	4/6/00	4/6/00	2017	120,000,000.00	70,625,000.00
2000 Series I	....	AMT	5/25/00	5/25/00	2001-2031	121,593,951.90	545,000.00
2000 Series J	(Variable).......	AMT	5/25/00	5/25/00	2031	36,460,000.00	34,085,000.00
2000 Series K	(Variable).......	TAXABLE	5/25/00	5/25/00	2031	120,000,000.00	93,870,000.00
2000 Series L	(Variable).......	Non-AMT	5/25/00	5/25/00	2015	35,685,000.00	5,400,000.00
2000 Series M	(Variable).......	AMT	5/25/00	5/25/00	2019	65,265,000.00	0.00
2000 Series N	(Variable).......	AMT	5/25/00	5/25/00	2031	50,000,000.00	50,000,000.00
2000 Series O	....	Non-AMT	7/27/00	7/27/00	2002-2017	11,885,000.00	0.00
2000 Series P	....	AMT	7/27/00	7/27/00	2019	3,115,000.00	0.00
2000 Series Q	(Variable).......	AMT	7/27/00	7/27/00	2032	45,000,000.00	40,965,000.00
2000 Series R	(Variable).......	TAXABLE	7/27/00	7/27/00	2032	140,000,000.00	111,740,000.00
2000 Series S	....	AMT	7/27/00	7/27/00	2001	78,285,000.00	0.00
2000 Series T	....	AMT	10/5/00	10/5/00	2002-2032	28,797,899.40	10,214,384.12
2000 Series U	(Variable).......	AMT	10/5/00	10/5/00	2017	39,200,000.00	37,085,000.00
2000 Series V	(Variable).......	TAXABLE	10/5/00	10/5/00	2032	102,000,000.00	76,820,000.00
2000 Series W	....	AMT	10/5/00	10/5/00	2001	15,275,000.00	0.00
2000 Series X-1	(Variable).......	Non-AMT	12/13/00	12/13/00	2015	21,085,000.00	14,470,000.00
2000 Series X-2	(Variable).......	AMT	12/13/00	12/13/00	2031	36,445,000.00	36,445,000.00
2000 Series Y	....	AMT	12/13/00	12/13/00	2020-2031	31,555,595.70	4,822,123.16
2000 Series Z	(Variable).......	TAXABLE	12/13/00	12/13/00	2031	102,000,000.00	77,570,000.00
2001 Series A	....	Non-AMT	1/25/01	1/25/01	2016	7,000,000.00	2,285,000.00
2001 Series B	....	AMT	1/25/01	1/25/01	2002-2031	28,933,417.80	8,730,000.00
2001 Series C	(Variable).......	AMT	1/25/01	1/25/01	2022-2031	12,070,000.00	10,610,000.00
2001 Series D	(Variable).......	TAXABLE	1/25/01	1/25/01	2022	112,000,000.00	92,770,000.00
2001 Series E	....	AMT	4/5/01	4/5/01	2009-2032	19,999,564.15	8,000,000.00
2001 Series F	(Variable).......	AMT	4/5/01	4/5/01	2032	25,000,000.00	25,000,000.00
2001 Series G	(Variable).......	TAXABLE	4/5/01	4/5/01	2029	105,000,000.00	82,010,000.00
2001 Series H	....	Non-AMT	5/31/01	5/31/01	2002-2015	43,514,371.20	8,025,000.00
2001 Series I	....	AMT	5/31/01	5/31/01	2021-2032	245,279,308.84	0.00
2001 Series J	(Variable).......	AMT	5/31/01	5/31/01	2032	86,300,000.00	78,690,000.00
2001 Series K	(Variable).......	TAXABLE	5/31/01	5/31/01	2032	144,000,000.00	111,355,000.00

Appendix B

CALIFORNIA HOUSING FINANCE AGENCY

OUTSTANDING INDEBTEDNESS

The following table describes the bonds of the Agency issued and outstanding as of August 1, 2004

Program/Series		Type of Bond	Dated 1	Delivery Date	Original Maturities	Issued/Sold but Unissued	Outstanding 2
2001 Series L	....	Non-AMT	7/26/01	7/26/01	2017	13,200,000.00	0.00
2001 Series M	....	AMT	7/26/01	7/26/01	2003-2032	20,964,493.05	6,785,000.00
2001 Series N	(Variable)…………………………..	AMT	7/26/01	7/26/01	2021	19,835,000.00	18,575,000.00
2001 Series O	(Variable)…………………………..	TAXABLE	7/26/01	7/26/01	2032	126,000,000.00	103,700,000.00
2001 Series P	....	AMT	7/26/01	7/26/01	2002	97,930,000.00	0.00
2001 Series Q	....	AMT	10/10/01	10/10/01	2003-2033	23,974,166.75	7,795,000.00
2001 Series R	(Variable)…………………………..	AMT	10/10/01	10/10/01	2023-2032	25,280,000.00	24,660,000.00
2001 Series S	(Variable)…………………………..	TAXABLE	10/10/01	10/10/01	2023	80,745,000.00	69,390,000.00
2001 Series T	....	AMT	12/6/01	12/6/01	2015-2032	35,939,118.89	11,470,000.00
2001 Series U	(Variable)…………………………	AMT	12/6/01	12/6/01	2032	63,060,000.00	61,675,000.00
2001 Series V	(Variable)…………………………	TAXABLE	12/6/01	12/6/01	2031	66,000,000.00	52,680,000.00
2002 Series A	....	AMT	4/18/02	4/18/02	2022-2033	32,999,945.55	23,473,459.05
2002 Series B	(Variable)…………………………	AMT	4/18/02	4/18/02	2033	49,500,000.00	48,960,000.00
2002 Series C	(Variable)…………………………	TAXABLE	2/7/02	2/7/02	2033	82,500,000.00	68,805,000.00
2002 Series D	(Variable)…………………………	TAXABLE	4/18/02	4/18/02	2030	88,000,000.00	74,350,000.00
2002 Series E	(Variable)…(STARS)………………	TAXABLE	4/18/02	4/18/02	2033	17,000,000.00	17,000,000.00
2002 Series F	(Variable)…………………………	AMT	6/6/02	6/6/02	2033	70,000,000.00	67,230,000.00
2002 Series G	....	AMT	6/6/02	6/6/02	2022-2033	34,999,647.00	10,289,438.40
2002 Series H	(Variable)…………………………	TAXABLE	6/6/02	6/6/02	2022	70,000,000.00	58,530,000.00
2002 Series J	(Variable)…………………………	AMT	8/8/02	8/8/02	2033	103,570,000.00	102,960,000.00
2002 Series K	....	AMT	8/8/02	8/8/02	2015-2033	26,429,545.24	25,038,271.36
2002 Series L	(Variable)…………………………	TAXABLE	8/8/02	8/8/02	2024	59,500,000.00	52,975,000.00
2002 Series M	(Variable)…………………………	AMT	10/17/02	10/17/02	2025-2033	95,680,000.00	93,440,000.00
2002 Series N	....	Non-AMT	8/8/02	8/8/02	2003-2014	14,820,000.00	10,230,000.00
2002 Series O	(Variable)…………………………	TAXABLE	10/17/02	10/17/02	2033	56,000,000.00	50,815,000.00
2002 Series P	(Variable)…………………………	AMT	12/12/02	12/12/02	2027	61,000,000.00	61,000,000.00
2002 Series Q	(Variable)…………………………	AMT	12/12/02	12/12/02	2033	41,600,000.00	41,600,000.00
2002 Series R	....	AMT	10/17/02	10/17/02	2003-2014	31,400,000.00	17,315,000.00
2002 Series S	(Variable)…………………………	TAXABLE	12/19/02	12/19/02	2019	19,845,000.00	15,670,000.00
2002 Series T	(Variable)…………………………	TAXABLE	12/19/02	12/19/02	2032	25,155,000.00	25,155,000.00
2002 Series U	(Variable)…………………………	AMT	3/6/03	3/6/03	2031-2032	101,295,000.00	98,895,000.00
2002 Series V	....	AMT	12/19/02	12/19/02	2004-2014	33,705,000.00	22,925,000.00
2003 Series A	(Variable)…………………………	TAXABLE	1/30/03	1/30/03	2005	295,300,000.00	0.00
2003 Series B	(Variable)…………………………	TAXABLE	2/27/03	2/27/03	2027	25,000,000.00	21,310,000.00
2003 Series C	(Variable)…………………………	TAXABLE	2/27/03	2/27/03	2033	13,750,000.00	13,750,000.00
2003 Series D	(Variable)…………………………	AMT	4/10/03	4/10/03	2022-2033	116,250,000.00	109,745,000.00
2003 Series E	....	Non-AMT	6/5/03	6/5/03	2004-2010	10,165,000.00	9,445,000.00
2003 Series F	(Variable)…………………………	AMT	6/5/03	6/5/03	2022-2034	139,835,000.00	138,960,000.00
2003 Series G	(Variable)…………………………	TAXABLE	6/5/03	6/5/03	2034	50,000,000.00	48,390,000.00
2003 Series H	(Variable)…………………………	AMT	8/7/03	8/7/03	2032-2033	150,000,000.00	148,155,000.00
2003 Series I	(Variable)…………………………	TAXABLE	8/7/03	8/7/03	2033	50,000,000.00	49,430,000.00
2003 Series J	(Variable)…………………………	TAXABLE	7/31/03	7/31/03	2005	312,945,000.00	0.00
2003 Series K	(Variable)…………………………	AMT	9/11/03	9/11/03	2033-2034	150,000,000.00	144,000,000.00
2003 Series L	(Variable)…………………………	TAXABLE	9/11/03	9/11/03	2034	50,000,000.00	50,000,000.00
2003 Series M	(Variable)…………………………	AMT	11/20/03	11/20/03	2024-2034	150,000,000.00	149,720,000.00
2003 Series N	(Variable)…………………………	TAXABLE	11/20/03	11/20/03	2034	50,000,000.00	48,235,000.00
2004 Series A	(Variable)…………………………	AMT	2/19/04	2/19/04	2033-2034	100,000,000.00	99,960,000.00
2004 Series B	(Variable)…………………………	TAXABLE	2/19/04	2/19/04	2034	35,000,000.00	34,815,000.00
2004 Series C	(Variable)…………………………	TAXABLE	1/29/04	1/29/04	2006	266,305,000.00	266,305,000.00
2004 Series D	....	Non-AMT	5/20/04	5/20/04	2005-2010	20,895,000.00	20,895,000.00
2004 Series E	(Variable)…………………………	AMT	5/20/04	5/20/04	2023-2035	129,105,000.00	129,105,000.00
2004 Series F	(Variable)…………………………	TAXABLE	5/20/04	5/20/04	2035	50,000,000.00	50,000,000.00
2004 Series G	(Variable)…………………………	AMT	6/3/04	6/3/04	2034-2035	100,000,000.00	100,000,000.00
2004 Series H	(Variable)…………………………	TAXABLE	6/3/04	6/3/04	2035	35,000,000.00	35,000,000.00
2004 Series I	(Variable)…………………………	AMT	7/15/04	7/15/04	2034-2035	30,000,000.00	30,000,000.00
2004 Series J	(Variable)…………………………	TAXABLE	7/15/04	7/15/04	2035	10,000,000.00	10,000,000.00
						$ 16,327,196,175.04	$ 5,053,681,259.88
Home Mortgage Revenue Bonds II:							
1994 Series 1	....	Non-AMT	7/28/94	7/28/94	2017	$ 68,245,000.00	$ 0.00
1994 Series 2	....	AMT	7/28/94	7/28/94	2026	182,760,000.00	0.00
						$ 251,005,000.00	$ 0.00
Single Family Mortgage Bonds:							
1995 Issue A-1	....	TAXABLE	5/17/95	5/17/95	2005-2020	$ 50,000,000.00	$ 1,810,000.00
1995 Issue A-2	....	AMT	4/15/95	5/17/95	2005-2026	100,000,000.00	10,395,000.00

Appendix B

CALIFORNIA HOUSING FINANCE AGENCY
OUTSTANDING INDEBTEDNESS

The following table describes the bonds of the Agency issued and outstanding as of August 1, 2004

Program/Series		Type of Bond	Dated 1	Delivery Date	Original Maturities	Issued/Sold but Unissued	Outstanding 2
1995 Issue B-1	....	TAXABLE	10/5/95	10/5/95	2004	10,970,000.00	0.00
1995 Issue B-2	....	AMT	9/15/95	10/5/95	2004-2027	74,030,000.00	12,105,000.00
						$ 235,000,000.00	$ 24,310,000.00
Single Family Mortgage Bonds II:							
1997 Series A-1	....	AMT	3/1/97	4/3/97	2007-2028	$ 112,000,000.00	$ 34,055,000.00
1997 Series A-2	....	TAXABLE	3/1/97	4/3/97	2007-2025	48,000,000.00	0.00
1997 Series B	(Partial Remrkt 10/97 & 3/98)….	AMT	4/3/97	4/3/97	2029	61,540,000.00	0.00
1997 Series B-1	....	AMT	10/16/97	10/16/97	2007-2028	(Orig.Issue 1997B)	9,330,000.00
1997 Series B-2	....	TAXABLE	9/1/97	10/16/97	2007-2025	10,715,000.00	0.00
1997 Series C-1	....	Non-AMT	9/1/97	10/16/97	2001-2011	15,000,000.00	2,455,000.00
1997 Series C-2	....	AMT	9/1/97	10/16/97	1999-2025	41,785,000.00	6,900,000.00
1997 Series C-3	....	TAXABLE	9/1/97	10/16/97	2029	22,940,000.00	8,185,000.00
1997 Series C-4	....	Non-AMT	5/6/98	5/6/98	2002-2017	74,670,000.00	9,805,000.00
1997 Series B-3	....	AMT	3/31/98	3/31/98	2007-2028	(Orig.Issue 1997B)	16,915,000.00
1997 Series B-4	....	TAXABLE	3/1/98	3/31/98	2007-2029	36,540,000.00	5,860,000.00
1998 Series A	....	AMT	3/1/98	3/31/98	2000-2026	15,220,000.00	4,095,000.00
1998 Series B	($28,440,000 Remarketed 1/99)	AMT	3/31/98	3/31/98	2019-2030	39,765,000.00	5,865,000.00
1999 Series A-1	....	Non-AMT	1/1/99	1/28/99	2017	8,180,000.00	585,000.00
1999 Series A-2	....	AMT	1/1/99	1/28/99	2012-2030	43,380,000.00	22,255,000.00
1999 Series A-3	....	TAXABLE	1/1/99	1/28/99	2021	50,000,000.00	17,480,000.00
1999 Series A-4 .	(PARS)……………………………	TAXABLE	1/28/99	1/28/99	2030	30,000,000.00	5,775,000.00
1999 Series B	....	AMT	1/28/99	1/28/99	2000	42,330,000.00	0.00
1999 Series C	....	TAXABLE	1/28/99	1/28/99	2031	4,800,000.00	0.00
1999 Series D-1	....	Non-AMT	7/1/99	7/29/99	2005-2011	9,510,000.00	0.00
1999 Series D-2	....	AMT	7/1/99	7/29/99	2001-2031	40,488,074.20	5,030,000.00
1999 Series D-3	....	TAXABLE	7/1/99	7/29/99	2017	50,000,000.00	22,130,000.00
1999 Series E	....	AMT	7/29/99	7/29/99	2000	251,560,000.00	0.00
1999 Series F	....	TAXABLE	7/29/99	7/29/99	2031	6,600,000.00	0.00
						$ 1,015,023,074.20	$ 176,720,000.00
Single Family Mortgage Revenue Bonds:							
Draw Down Series 2002 A……………………………..		Non-AMT	1/11/02	1/28/02	2005	$ 14,820,000.00	$ 0.00
Draw Down Series 2002 B……………………………..		AMT	1/11/02	1/28/02	2005	183,845,000.00	0.00
Draw Down Series 2002 B……………………………..		AMT	1/11/02	6/3/02	2005	78,240,000.00	0.00
Draw Down Series 2002 B……………………………..		AMT	1/11/02	7/26/02	2005	143,155,000.00	0.00
Draw Down Series 2002 C……………………………..		Non-AMT	6/27/02	7/26/02	2005	15,475,000.00	0.00
Draw Down Series 2002 D……………………………..		AMT	6/27/02	6/27/02	2005	266,400,000.00	0.00
Draw Down Series 2002 D……………………………..		AMT	6/27/02	7/26/02	2005	86,500,000.00	0.00
Draw Down Series 2003B……………………………..		AMT	6/19/03	6/19/03	2006	270,000,000.00	0.00
Draw Down Series 2003B……………………………..		AMT	6/19/03	12/18/03	2006	87,500,000.00	0.00
Draw Down Series 2004 A……………………………..		Non-AMT	7/29/04	7/29/04	2007	62,585,000.00	62,585,000.00
Draw Down Series 2004 B-1……………………………..		AMT	7/29/04	7/29/04	2007	475,000,000.00	475,000,000.00
Draw Down Series 2004 B-2……………………………..		AMT	7/29/04	7/29/04	2007	75,725,000.00	75,725,000.00
						$ 1,759,245,000.00	$ 613,310,000.00
Subtotal: Single Family Program Bonds . . .						$ 20,443,085,842.31	$ 5,868,021,259.88

1 Certain series of bonds include non-current interest bonds, tender option bonds and certain other bonds which are dated the date of delivery of such series of bonds.
2 Includes increase in accreted value of non-current interest bonds and discounted bonds.

Appendix B

CALIFORNIA HOUSING FINANCE AGENCY

OUTSTANDING INDEBTEDNESS

The following table describes the bonds of the Agency issued and outstanding as of August 1, 2004

Program/Series		Type of Bond	Dated 1	Delivery Date	Original Maturities	Issued/Sold but Unissued	Outstanding 2
MULTIFAMILY HOUSING PROGRAM BONDS:							
Multi-Family Revenue Bonds(Fed.Insured Loans):							
1979 Series A	....	Non-AMT	8/1/79	8/1/79	1983-2022	$ 20,000,000.00	$ 0.00
1979 Series B	....	Non-AMT	11/1/79	11/28/79	1988-2022	3,705,000.00	0.00
						$ 23,705,000.00	$ 0.00
Multi-Unit Rental Housing Revenue Bonds:							
1979 Series A	....	Non-AMT	8/1/79	8/28/79	1981-2022	$ 100,000,000.00	$ 0.00
1980 Series A	....	Non-AMT	6/1/80	6/24/80	1982-2021	36,000,000.00	0.00
1981 Series A	....	Non-AMT	3/1/81	3/11/81	1982-2021	36,300,000.00	0.00
1981 Series B	....	Non-AMT	7/1/81	7/8/81	1982-2021	27,500,000.00	0.00
1981 Series C	....	Non-AMT	12/1/81	12/29/81	1983-2022	29,300,000.00	0.00
1992 Series A	....	AMT	12/1/92	1/13/93	1995-2024	23,070,000.00	0.00
1993 Series A	....	AMT	8/1/93	9/30/93	1996-2025	23,840,000.00	0.00
1994 Series A	....	AMT	2/1/94	3/24/94	1996-2025	9,065,000.00	0.00
1994 Series B	....	Non-AMT	11/1/94	11/17/94	1996-2024	14,355,000.00	12,310,000.00
						$ 299,430,000.00	$ 12,310,000.00
Rental Housing Revenue Bonds(FHA Insured Loans):							
1982 Series A	....	Non-AMT	6/1/82	6/22/82	1986-2024	$ 45,600,000.00	$ 0.00
Multi-Unit Rental Housing Revenue Bonds II:							
1982 Series A	....	Non-AMT	9/1/82	9/29/82	1983-2024	$ 54,289,526.00	$ 0.00
1982 Series B	....	Non-AMT	11/1/82	12/16/82	1983-2014	29,139,575.00	0.00
1983 Series A	....	Non-AMT	3/1/83	4/28/83	1984-2014	34,998,600.00	0.00
1984 Series A	....	Non-AMT	6/1/84	6/28/84	1985-2015	41,003,056.00	0.00
1985 Series A	....	Non-AMT	7/1/85	8/28/85	1987-2016	4,530,000.00	0.00
1992 Series A	....	Non-AMT	6/2/92	6/2/92	1993-2023	91,425,000.00	0.00
1992 Series B	....	Non-AMT	5/1/92	6/3/92	1993-2015	37,930,000.00	23,660,000.00
1992 Series C	....	AMT	5/1/92	6/3/92	1995-2024	25,225,000.00	0.00
1994 Series A	....	Non-AMT	6/2/94	6/2/94	1995-2015	11,655,000.00	8,225,000.00
						$ 330,195,757.00	$ 31,885,000.00
Multifamily Rehabilitation Revenue Bonds:							
1983 Issue A	....	Non-AMT	12/1/83	12/15/83	1986-2010	$ 19,570,000.00	$ 0.00
1985 Issue A	....	Non-AMT	3/1/85	3/28/85	1988-2011	23,590,000.00	0.00
						$ 43,160,000.00	$ 0.00
Multifamily Housing Revenue Bonds:							
Insured Letter of Credit, 1984 Issue I………………		Non-AMT	4/1/84	5/2/84	1994	$ 16,830,000.00	$ 0.00
Multifamily Housing Revenue Refunding Bonds:							
Variable Rate Demand Bonds:							
1993 Issue A	(Oakbrook Ridge Apartments)…	Non-AMT	7/14/93	7/14/93	2013	$ 4,830,000.00	$ 0.00
1993 Issue B	(Camino Colony Apartments)….	Non-AMT	7/14/93	7/14/93	2013	5,600,000.00	0.00
1993 Issue C	(Hidden Hills Apartments)………	Non-AMT	7/14/93	7/14/93	2013	6,400,000.00	0.00
						$ 16,830,000.00	$ 0.00
Housing Revenue Bonds (Insured):							
1984 Series A	....	Non-AMT	7/1/84	8/22/84	1985-2016	$ 27,770,000.00	$ 0.00
1985 Series A	....	Non-AMT	5/1/85	6/6/85	1986-2018	50,000,000.00	0.00
1985 Series B	....	Non-AMT	11/15/85	12/11/85	1987-2019	79,998,934.00	0.00
1987 Series A	....	AMT	11/1/87	12/10/87	1990-2019	12,240,000.00	0.00
1988 Series A	....	AMT	6/1/88	8/9/88	1991-2020	16,125,000.00	0.00
1989 Series A	....	AMT	8 /1/89	9/14/89	2024	9,150,000.00	0.00
1990 Series A	....	AMT	10/1/90	11/7/90	2010-2025	14,415,000.00	0.00
1991 Series A	....	AMT	5/1/91	6/11/91	1996-2026	19,500,000.00	0.00
1991 Series B	....	Non-AMT	9/1/91	10/16/91	1996-2023	18,785,000.00	0.00
1991 Series C	....	AMT	9/1/91	10/16/91	1996-2023	9,425,000.00	0.00
1991 Series D	....	Non-AMT	11/15/91	12/10/91	2012-2023	2,355,000.00	0.00
1991 Series E	....	AMT	11/15/91	12/10/91	2012-2026	11,025,000.00	0.00
1994 Series A	....	Non-AMT	1/1/94	2/10/94	1996-2024	32,940,000.00	0.00
1994 Series B	....	Non-AMT	7/27/94	7/27/94	2004-2016	7,785,000.00	0.00

CALIFORNIA HOUSING FINANCE AGENCY
OUTSTANDING INDEBTEDNESS

The following table describes the bonds of the Agency issued and outstanding as of August 1, 2004

Program/Series		Type of Bond	Dated 1	Delivery Date	Original Maturities	Issued/Sold but Unissued	Outstanding 2
1994 Series C	....	Non-AMT	6/1/94	6/22/94	1996-2025	11,300,000.00	3,460,000.00
1994 Series D	....	AMT	6/1/94	6/22/94	2014-2025	2,625,000.00	0.00
1994 Series E	....	Non-AMT	10/1/94	11/9/94	1996-2026	22,565,000.00	20,145,000.00
1994 Series F	....	AMT	10/1/94	11/9/94	1996-2026	17,265,000.00	15,275,000.00
						$ 365,268,934.00	$ 38,880,000.00
Housing Revenue Bonds II (Insured):							
1992 Series A	....	TAXABLE	7/15/92	7/29/92	1993-1998	$ 15,000,000.00	$ 0.00
Multifamily Housing Revenue Bonds:							
1994 Series A	(Tara Village Apartments)………	Non-AMT	11/1/94	11/29/94	1995-2024	$ 7,875,000.00	$ 6,960,000.00
Multifamily Housing Revenue Bonds:							
1995 Series A	(FHA Insured) (Variable)……….	AMT	2/16/95	2/16/95	2026	$ 6,100,000.00	$ 0.00
Multifamily Housing Revenue Bonds II:							
1995 Series A	....	Non-AMT	10/1/95	11/14/95	2037	$ 11,195,000.00	$ 11,195,000.00
1995 Series B	....	AMT	10/1/95	11/14/95	1998-2026	44,105,000.00	37,450,000.00
1995 Series C	....	TAXABLE	10/1/95	11/14/95	2006-2037	25,355,000.00	20,490,000.00
1996 Series A	....	Non-AMT	10/1/96	10/24/96	2027	16,920,000.00	16,920,000.00
1996 Series B	....	AMT	10/1/96	10/24/96	1998-2022	37,200,000.00	30,385,000.00
						$ 134,775,000.00	$ 116,440,000.00
Multifamily Housing Revenue Bonds III:							
1997 Series A	....	AMT	3/1/97	3/26/97	2017-2038	$ 70,660,000.00	$ 68,745,000.00
1997 Series B	(Variable)…………………………..	AMT	5/22/97	5/22/97	2039	45,620,000.00	0.00
1997 Series C	(Variable)…………………………..	AMT	7/23/97	7/23/97	2039	31,295,000.00	0.00
1998 Series A	....	AMT	4/1/98	4/23/98	2000-2039	42,435,000.00	33,275,000.00
1998 Series B	....	AMT	4/1/98	5/7/98	1999-2039	98,750,000.00	81,110,000.00
1998 Series C	....	Non-AMT	4/1/98	5/7/98	1999-2028	17,615,000.00	14,820,000.00
1998 Series D	(Variable)…………………………..	AMT	10/8/98	10/8/98	2033	13,625,000.00	0.00
1999 Series A	....	AMT	5/1/99	5/20/99	2000-2036	44,535,000.00	36,560,000.00
2000 Series A	(Variable)…………………………..	AMT	7/12/00	7/12/00	2037	91,000,000.00	86,995,000.00
2000 Series B	(Variable)…………………………..	Non-AMT	7/12/00	7/12/00	2031	9,200,000.00	8,100,000.00
2000 Series C	(Variable)…………………………..	AMT	11/16/00	11/16/00	2033	63,300,000.00	63,300,000.00
2000 Series D	(Variable)…………………………..	Non-AMT	11/16/00	11/16/00	2031	19,520,000.00	17,350,000.00
2001 Series A	(Variable)…………………………..	AMT	2/22/01	2/22/01	2032	17,240,000.00	13,325,000.00
2001 Series B	(Variable)…………………………..	Non-AMT	2/22/01	2/22/01	2033	9,170,000.00	8,690,000.00
2001 Series C	(Variable)…………………………..	TAXABLE	2/22/01	2/22/01	2041	23,590,000.00	23,590,000.00
2001 Series D	(Variable)…………………………..	Non-AMT	6/28/01	6/28/01	2022	6,070,000.00	5,645,000.00
2001 Series E	(Variable)…………………………..	AMT	6/28/01	6/28/01	2036	78,735,000.00	68,155,000.00
2001 Series F	(Variable)…………………………..	Non-AMT	11/15/01	11/15/01	2032	19,040,000.00	17,915,000.00
2001 Series G	(Variable)…………………………..	AMT	11/15/01	11/15/01	2025-2036	73,975,000.00	64,030,000.00
2001 Series H	(Variable)…………………………..	TAXABLE	11/15/01	11/15/01	2036	15,595,000.00	15,595,000.00
2002 Series A	(Variable)…………………………..	AMT	6/5/02	6/5/02	2037	48,350,000.00	47,895,000.00
2002 Series B	(Variable)…………………………..	Non-AMT	9/10/02	9/10/02	2035	33,520,000.00	32,575,000.00
2002 Series C	(Variable)…………………………..	AMT	9/10/02	9/10/02	2027-2037	38,255,000.00	38,155,000.00
2002 Series D	(Variable)…………………………..	Non-AMT	12/18/02	12/18/02	2035	12,760,000.00	12,690,000.00
2002 Series E	(Variable)…………………………..	AMT	12/18/02	12/18/02	2037	71,305,000.00	71,100,000.00
2003 Series A	(Variable)…………………………..	AMT	6/4/03	6/4/03	2038	64,015,000.00	64,015,000.00
2003 Series B	(Variable)…………………………..	AMT	9/10/03	9/10/03	2038	69,725,000.00	69,695,000.00
2003 Series C	(Variable)…………………………..	AMT	12/10/03	12/10/03	2038	97,295,000.00	97,175,000.00
2004 Series A	(Variable)…………………………..	Non-AMT	6/24/04	6/24/04	2034	23,500,000.00	23,460,000.00
2004 Series B	(Variable)…………………………..	AMT	6/24/04	6/24/04	2039	99,510,000.00	99,475,000.00
						$ 1,349,205,000.00	$ 1,183,435,000.00
Multifamily Loan Purchase Bonds:							
2000 Issue A	....	TAXABLE	7/26/00	7/26/00	2017	$ 269,023,710.88	$ 155,930,089.01
Multifamily Mortgage Revenue Bonds:							
Draw Down Series 2002…………………………………		AMT	1/11/02	4/4/02	2005	$ 1,700,000.00	$ 0.00
Draw Down Series 2002…………………………………		AMT	1/11/02	3/10/04	2005	21,555,000.00	0.00
						23,255,000.00	0.00

Appendix B

CALIFORNIA HOUSING FINANCE AGENCY
OUTSTANDING INDEBTEDNESS

The following table describes the bonds of the Agency issued and outstanding as of August 1, 2004

Program/Series	Type of Bond	Dated 1	Delivery Date	Original Maturities	Issued/Sold but Unissued	Outstanding 2
Subtotal: Multifamily Program Bonds					$ 2,946,253,401.88	$ 1,545,840,089.01
Total Bonds Issued and Outstanding					$ 23,389,339,244.19	$ 7,413,861,348.89

1 Certain series of bonds include non-current interest bonds, tender option bonds and certain other bonds which are dated the date of delivery of such series of bonds.
2 Includes increase in accreted value of non-current interest bonds and discounted bonds.

(AS OF 8/1/2004)

Bond Reserve Account Balance as of June 30, 2004 is $ 3,740,000 (including a surety bond providing coverage in the amount of $900,000).

Loan Reserve Accounts have not been established for the following bond series:

1995 Series A, B & C

1996 Series A & B

Principal Prepayments

There have been no principal prepayments with respect to the Loans.

Appendix D

CALIFORNIA HOUSING FINANCE AGENCY — BOND REDEMPTION HISTORY AS OF AUGUST 1, 2004

MULTIFAMILY HOUSING PROGRAM BONDS			SOURCES OF SPECIAL REDEMPTION FUNDS				
Indenture & Bond Series	Redemption Date	Redemption Amount	Unexpended Proceeds	Recoveries of Principal	Reduction of Reserves	Available Revenues	Optional or Special Redemptions
MULTIFAMILY HOUSING REVENUE BONDS II 1995 Series B	8/1/01	$35,000	$0	$35,000	$0	$0	$0
MULTIFAMILY HOUSING REVENUE BONDS II 1995 Series C	4/15/96	$3,995,000	$3,883,035	$0	$0	$26,868	$85,097
MULTIFAMILY HOUSING REVENUE BONDS II 1996 Series B	8/1/01	$1,100,000	$0	$1,100,000	$0	$0	$0
MULTIFAMILY HOUSING REVENUE BONDS II INDENTURE TOTALS TO DATE		$5,130,000	$3,883,035	$1,135,000	$0	$26,868	$85,097

Appendix E

Multifamily Housing Revenue Bonds II
1995 Series A

Name of Development	Location (City and County)	Permanent Loan Origination Date	Original Permanent Loan Amount	Outstanding Permanent Loan Balance August 31, 2004	Loan Interest Rate	Loan Maturity Date	HAP Contract	FHA Risk-Sharing Program	Payments Current as of August 31, 2004
Stevens Creek Apts.	Cupertino, Santa Clara	April, 1997	$ 1,768,900	$ 1,697,318	7.25%	May, 2037	None	Yes	Yes

Appendix E

Multifamily Housing Revenue Bonds II
1995 Series B

Name of Development	Location (City and County)	Permanent Loan Origination Date	Original Permanent Loan Amount	Outstanding Permanent Loan Balance August 31, 2004	Loan Interest Rate	Loan Maturity Date	HAP Contract	FHA Risk-Sharing Program	Payments Current as of August 31, 2004
Kalmia Courtyards	Fallbrook, San Diego	September, 1997	$ 951,000	$ 872,567	7.25%	October, 2027	None	Yes	Yes
Plaza del Sol	San Jose, Santa Clara	June, 1997	4,545,000	4,369,076	7.25	August, 2037	None	Yes	Yes
Promenade I (1)	Pleasanton, Alameda	November, 1997	3,399,603	3,275,913	7.25	December, 2037	None	Yes	Yes
Promenade II	Pleasanton, Alameda	November, 1997	6,500,000	6,263,506	7.25	December, 2037	None	Yes	Yes
Regency Court Senior	Salinas, Monterey	May, 1997	4,901,750	4,472,178	7.25	June, 2027	None	Yes	Yes
Vista Valle (Claremont)	Claremont, Los Angeles	April, 1996	2,200,000	1,977,158	7.50	May, 2026	None	Yes	Yes
Warwick Square	Santa Ana, Orange	February, 1997	18,840,000	17,114,613	7.25	March, 2027	None	Yes	Yes
		Total	$ 41,337,353	$ 38,345,011					

(1) This loan is financed by the 1995 Series B and 1996 Series B Bonds.

Appendix E

Multifamily Housing Revenue Bonds II
1995 Series C

Name of Development	Location (City and County)	Permanent Loan Origination Date	Original Permanent Loan Amount	Outstanding Permanent Loan Balance August 31, 2004	Loan Interest Rate	Loan Maturity Date	HAP Contract	FHA Risk-Sharing Program	Payments Current as of August 31, 2004
Arroyo Vista	Mission Viejo, Orange	April, 1996	$ 7,000,000	$ 6,781,613	9.00%	May, 2036	None	Yes	Yes
Grand Plaza Apts.	Los Angeles, Los Angeles	March, 1995	7,986,965	7,715,781	9.25	April, 2035	None	Yes	Yes
Salandini Villa	Parlier, Fresno	September, 1997	3,500,000	3,421,049	9.25	October, 2037	None	Yes	Yes
Valle de las Brisas	Madera, Madera	July, 1997	1,350,000	1,320,528	9.50	August, 2037	None	Yes	Yes
Villa Washington	Pasadena, Los Angeles	April, 1997	950,000	886,646	9.00	May, 2027	None	Yes	Yes
		Total	$ 20,786,965	$ 20,125,617					

Appendix E

Multifamily Housing Revenue Bonds II
1996 Series A

Name of Development	Location (City and County)	Permanent Loan Origination Date	Original Permanent Loan Amount	Outstanding Permanent Loan Balance August 31, 2004	Loan Interest Rate	Loan Maturity Date	HAP Contract	FHA Risk-Sharing Program	Payments Current as of August 31, 2004
Monterey Village	Rancho Cucamonga, San Bernardino	September, 1996	$ 5,100,000	$ 4,598,479	7.25%	October, 2026	None	Yes	Yes
Mountainside Apts.	Rancho Cucamonga, San Bernardino	September, 1996	6,475,000	5,838,265	7.25	October, 2026	None	Yes	Yes
Sycamore Springs	Alta Loma, San Bernardino	September, 1996	4,425,000	3,989,857	7.25	October, 2026	None	Yes	Yes
		Total	$ 16,000,000	$ 14,426,601					

Appendix E

Multifamily Housing Revenue Bonds II
1996 Series B (1)

Name of Development	Location (City and County)	Permanent Loan Origination Date	Original Permanent Loan Amount	Original Bridge Loan Amount and Term	Outstanding Permanent Loan Balance August 31, 2004	Outstanding Bridge Loan Balance August 31, 2004	Loan Interest Rate (2)	Loan Maturity Date	FHA Risk-Sharing Program	Payments Current as of August 31, 2004
Camden Place	La Palma, Orange	November, 1998	$ 1,500,000	---	$ 1,401,957	---	7.25%	December, 2028	Yes	Yes
Parkvista Apts.	Fremont, Alameda	July, 1998	3,300,000	---	3,180,728	---	6.75	August, 2038	Yes	Yes
Promenade I (3)	Pleasanton, Alameda	November, 1997	1,000,397	---	963,999	---	7.25	December, 2037	Yes	Yes
Ridgeway Apts. (Marin City USA) (4)	Marin City, Marin	December, 1997	7,699,603	---	7,445,641	---	7.50	January, 2038	Yes	Yes
Sutter Terrace Apts.	Roseville, Placer	June, 1998	4,180,000	---	4,026,364	---	6.75	July, 2038	Yes	Yes
The Verandas Family (formerly Capitol Ave.)	San Jose, Santa Clara	September, 1998	7,015,000	---	6,099,494	---	6.75	October, 2028	Yes	Yes
The Winery	Fresno, Fresno	December, 1998	2,300,000	$1,100,000 1 year	2,043,150	$0	6.20	January, 2024	Yes	Yes
Victoria Woods	Yorba Linda, Orange	December, 1997	7,000,000	---	6,449,211	---	7.25	January, 2028	Yes	Yes
		Total	$ 33,995,000	$ 1,100,000	$ 31,610,544	$0				

(1) These developments do not receive Section 8 subsidies and hence do not have HAP contracts.
(2) Unless otherwise noted, the interest rate on any bridge loan is the same as that on the corresponding permanent loan.
(3) This loan is financed by the 1995 Series B and 1996 Series B Bonds.
(4) This loan is financed by the Multifamily Housing Revenue Bonds II 1996 Series B and Multifamily Housing Revenue Bonds III 1997 Series A and 2001 Series C Bonds.